

Cedar City

10 North Main Street • Cedar City, UT 84720
435-586-2950 • FAX 435-586-4362
www.cedarcity.org

Mayor
Maile L. Wilson

Council Members
Ronald R. Adams
John Black
Paul Cozzens
Don Marchant
Fred C Rowley

City Manager
Rick Holman

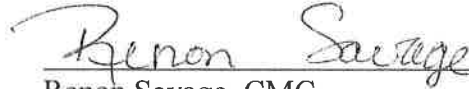
CITY COUNCIL WORK MEETING **MAY 21, 2014** **5:30 P.M.**

The City Council meeting will be held in the Council Chambers at the City Office, 10 North Main Street, Cedar City, Utah. The agenda will consist of the following items:

- I. Call to Order
- II. Agenda Order Approval
- III. Administration Agenda
 - Mayor and Council Business
 - Staff Comment
 - Employee of the Month Tim Bonzo
- IV. Public Agenda
 - Public Comments
- V. Business Agenda
 - Public
 1. Consider an amendment to the 2013 Community Development Block Grant (CDBG) – Heidi Miller/Paul Bittmenn
 2. Consider a road dedication in the vicinity of 1700 West and Industrial Road – Gilbert Development
 3. Consider a resolution amending the City's General Land Use Plan from low density residential to high density residential on property located in the vicinity of 429 West 400 South – Tom Pugh/Brent Drew
 4. Public Hearing to consider an ordinance amending the zoning from Residential-2 (R-2) to Residential-3 multi-family (R-3 multi-family) on property located in the vicinity of 429 West 400 South – Tom Pugh/Brent Drew
 5. Consider a raw land lease at the Airport – Blackburn Management LLC/Russ Volk
 6. Public Hearing to consider a revision to the fiscal year 2013-14 budget for funding a prairie dog fence at the Cedar Ridge Golf Course – Rick Holman
 - Staff
 7. Review Bids for Aviation Way MTI Improvement Project – Trevor McDonald
 8. Review Bids for Airport Road Sewer Replacement Project – Trevor McDonald
 9. Consider grant modification for Runway 8/26 Rehabilitation Project – Russ Volk
 10. Consider award of contract for construction of SyberJet Taxilane Project – Russ Volk
 11. Consider award of contract for construction of Airport Helipad Replacement and Runway 8/26 Rehabilitation projects – Russ Volk

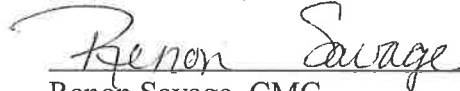
12. Consider an agreement with the Department of Natural Resources for partial funding of a prairie dog fence at the Cedar Ridge Golf Course – Rick Holman
13. Consider bids for Golf Course fence materials – Rick Holman
14. Public Hearing to consider a partial water fee waiver for the Iron County School District – Rick Holman
15. Consider declaring a garbage truck as surplus property – Ryan Marshall
16. Consider the FY 2014-15 tentative budget – Jason Norris

Dated this 19th day of May, 2014.


Renon Savage, CMC
City Recorder

CERTIFICATE OF DELIVERY:

The undersigned duly appointed and acting recorder for the municipality of Cedar City, Utah, hereby certifies that a copy of the foregoing Notice of Agenda was delivered to the Daily News, and each member of the governing body this 19th day of May, 2014.


Renon Savage, CMC
City Recorder

Cedar City Corporation does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.

If you are planning to attend this public meeting and, due to a disability, need assistance in accessing, understanding or participating in the meeting, please notify the City not later than the day before the meeting and we will try to provide whatever assistance may be required.

CEDAR CITY COUNCIL
AGENDA ITEMS V - |
DECISION PAPER

TO: Mayor and City Council

FROM: Paul Bittmenn

DATE: May 19, 2014

SUBJECT: Consider an amendment to the 2013 community development block grant (CDBG) for the housing authority.

DISCUSSION:

Cedar City acts as the pass through agent for the housing authority's CDBG funds. The housing authority is in the process of acquiring property for low income housing. This was the purpose for the contract the City entered in July, 2013. The present amendment will add \$135,668 to the 2013 contract. The additional funds are for necessary demolition and clearance activities and/or engineering /construction costs. The new grant total of the 2013 contract and the present amendment will be \$300,000.

Please consider approval of the attached amendment.



STATE OF UTAH
CONTRACT AMENDMENT

AMENDMENT #: 1 CONTRACT #: 14-0814 CONTRACT ADMINISTRATOR: Glenna Matekel
CONTRACT TITLE: CDBG 2013 - Property Acquisition

TO BE ATTACHED TO AND MADE A PART OF the above numbered contract by and between the State of Utah,
DEPARTMENT OF WORKFORCE SERVICES, HOUSING & COMMUNITY DEVELOPMENT DIVISION, Community
Development Block Grants (CDBG), referred to as STATE and Cedar City Corporation, referred to as CONTRACTOR

THE PARTIES AGREE TO AMEND THE CONTRACT AS FOLLOWS:

1. Contract Period:

07/01/2013 (Original Start Date) 12/31/2014 (Original End Date) 12/31/2015 New End Date

2. Contract Amount:

\$164,332.00 (Current Contract Amount) \$300,000.00 New Contract Amount

3. Scope of Work Change: (See Attached Revised Scope of Work)

4. Budget Change: (See Attached Revised Budget)

5. Effective Date of Amendment: 07/01/2014

6. Special Notices:

This amendment adds an additional \$135,668 of funding to this project that was awarded multi-year status in 2013.

All other conditions and terms in the original contract and previous amendments remain the same.

IN WITNESS WHEREOF, the parties sign and cause the amendment to be executed.

CONTRACTOR

STATE

Contractor's Signature

Gordon D. Walker, Director
Housing & Community Development Division

Maile Wilson, Mayor

Type or Print Name and Title

Director, Division of Finance

Scope of Work:

1st year funding:

Acquire property for the construction of Low Income Housing.

2nd year funding is added for:

any necessary demolition and clearance activities on acquired property
engineering/construction costs for new housing units

Revised Budget

Budget Category	Grant Funds	Other Funds	Total Funding
Administration	\$0.00	\$0.00	\$0.00
Planning	\$0.00	\$0.00	\$0.00
Technical Assistance (AOG)	\$0.00	\$0.00	\$0.00
Program Delivery Costs	\$0.00	\$0.00	\$0.00
Construction	\$105,668.00	\$100,000.00	\$205,668.00
Engineer/Architect	\$10,000.00	\$0.00	\$10,000.00
Other - Demolition asbestos LBP	\$30,000.00	\$0.00	\$30,000.00
Other	\$0.00	\$0.00	\$0.00
Real Property Acquisition	\$154,332.00	\$0.00	\$154,332.00
Totals	\$300,000.00	\$100,000.00	\$400,000.00

CEDAR CITY COUNCIL
AGENDA ITEMS V - 2
DECISION PAPER

TO: Mayor and City Council

FROM: Paul Bittmenn

DATE: May 19, 2014

SUBJECT: Consider a road dedication in the vicinity or 1700 North and Industrial Road.

DISCUSSION:

About a month ago the City Council approved a road dedication on the South side of the Staheli West property where it fronts Industrial Road. The current Road Dedication is from the owner of the lot to the immediate East of the property dedicated by Staheli West. The Gilberts own one lot that has +/- 80 feet of frontage along Industrial Road. Engineering has secured a letter from Cedar Land Title stating the property title is vested in Gilbert Development and there are no encumbrances on the property.

The planning commission minutes and a map are attached. Please consider approving the proposed road dedication.

taken out.

Blake pointed out that with other agreements the City has they do this on an annual basis.

Vance pointed out then, it would not be that hard to let the City use it from time to time. They can just credit that back to the lease payment.

The terms of reclamation were talked about. Blake said they would get it all designed, have the 2 to 1 slope, so there were no cliffs, and after their 5 years they could hydro seed that per the BLM specs. As they excavate it they could also do the grooming. Paul asked about how to approach that, would they want it seeded, or use for water reclamation. Primarily, they would want the gravel, then after 5 years would need to leave the land groomed.

Fred pointed out it would need to be reclaimed to some standard. They would be comfortable with the State standards. That would be slopes, and they could decide if they wanted vegetation or not. Different methods of regeneration were talked about.

Vance would like to tie it all together. He feels it is a great idea, they have talked about reclamation, not concerned now with knowing who will get this bid. Overall, he wondered if the City should require bonding in order to assure that reclamation would take place after the lease were up. Paul said he would need to look, but was not sure they required any bonds on these leases.

Fred moved to give a positive recommendation to Council to lease this land for gravel mining, with the provisions that they keep the proper slopes, the setbacks from the utility lines, and do some State standard reclamation once the lease is up. Also, that the City can have access under mutually agreeable terms to use the gravel pit and to look at a bond for the reclamation if necessary. Seconded by Rich and the vote was unanimous.

**4- Road Dedication
Street Widening
(Recommendation)**

**Gilbert Property
Industrial Rd near Airport Rd.**

Gilbert / City

Kit said this was mostly City initiated. The yellow strip on the map shows the area that was dedicated last. The little green sliver was Mr. Gilberts. He wanted to complete his curb, gutter and sidewalk at the same time, so was agreeable to letting this piece be dedicated for the Street. Kit also said this will be a 66' wide road when they can get the other side from the railroad. As others develop along this road, it will all eventually get dedicated and all will line up with the old coke plant further east on Industrial Road.

Vance wondered if the City had talked with the other property owners to get their portion of the road. Kit said when Mr. Lunt was still alive, it was discussed, but he only wanted to farm his land. Eventually as others develop they will get the road width.

Rich moved to send a positive recommendation to the City Council on this road dedication, seconded by Kent and the vote was unanimous.

The meeting adjourned at 5:50 p.m.

Michal Adams, Administrative Assistant

162 BK 337/351
54.85'
290.67' (332.64' DEED)
67.66'
70.00'
5000.724'E
68.92'
39.25'
109.25'
107'
50108'15"E
52.96'
75.00'
E
5137.7' 1586.7'
FR THE NW COR. OF
SEC. 10, T36S, R11W, SLM.
S89'23'20"W
S89'34'30"E
624.33'
626.36'
607.36' 39.84' RDS DEED)
B-52-1
BK 111

A. JUDD
(225' DEED)
292.60' (330' DEED)
292.60' (330' DEED)

K 283/75
292.60' (330' DEED)
292.60' (330' DEED)

JONSSON

QUESTAR
GAS
SA-B-53-2-11
#300704
0.08 AC.
BK 637/72
S89'23'20"W
70.00'
50.00'
50108'15"E
229.52'
179.52'
50108'15"E
5000'724"E
522.23' (DEED)
N0108'15"W

70
330' (DEED)
B-53-1 #46026 0.20 AC.
297.20' (308.78' DEED)
133.24' (145' DEED)
RUTH ANN & LAMONT K.
WIDICK J/T
B-53-4-2-1
#46141
0.23 AC.
BK 512/74 (145' DEED)
134.55' (145' DEED)
189'23'19"E 189.66' (200' DEED)
MARION E. & RUTH ANN
WIDICK J/T
B-53-4-1
#46108
0.391 AC.
BK 327/452
300'30"W 181.15' (200' DEED)
20.84'
40'30"E 300.11' BBE SURVEY
20'30"E
(BY SURVEY)
(DEED OVERLAP)
301.88'
S0107'40"E

AIRPORT ROAD

B-52-3
#491510
6.333 AC.
BK 1115/1580

600 N. AIRPORT ROAD LLC.

INDUSTRIAL ROAD

LOS ANGELES & SALT LAKE RAILROAD

N89'00'30"E

N89'00'30"E (804.98' DEED)
N89'36'E 860' (40 RDS DEED)

UTAH POWER & LIGHT CO.

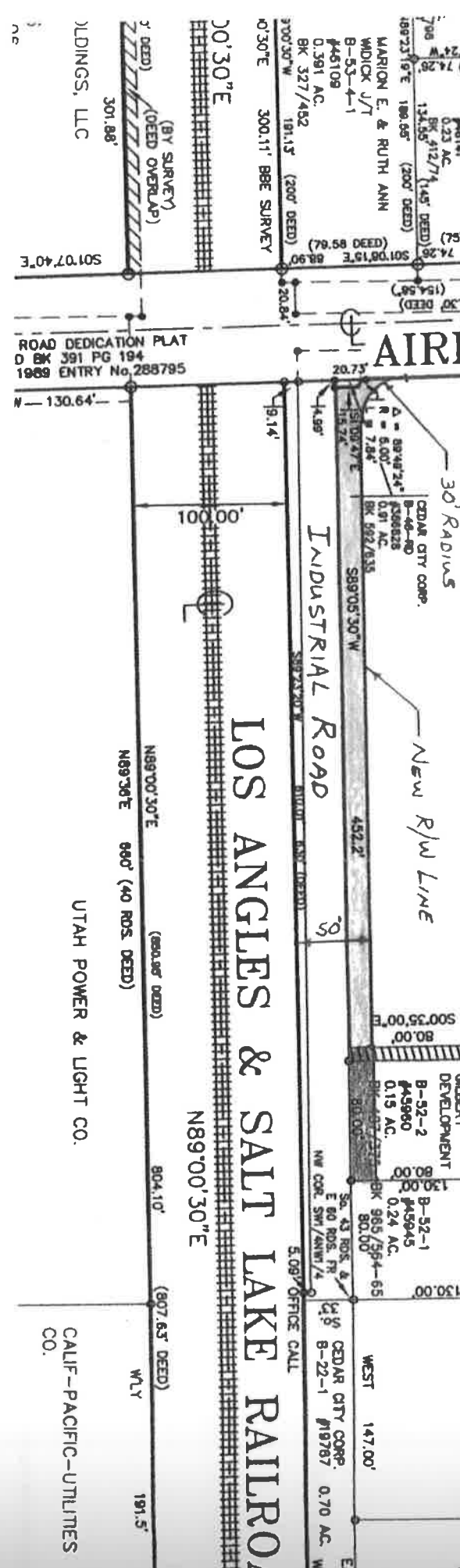
CALIF-PACIFIC-UTILITIES CO.

ROAD DEDICATION PLAT
D BK 391 PG 194
1989 ENTRY No. 288785

30' RADIUS
CDAR CITY CORP.
B-46-40
#306628
0.91 AC.
BK 582/833
S89'05'30"W
452.2'
115.24'
115.24'E
14.89'
19.14'
100.00'

New R/W Line

80' LEGAL DESCRIPTION
S89'05'30"W
80.00'
50.00'
500'35'00"E
80.00'
B-52-2
#45960
0.15 AC.
BK 437/275
80.00'
B-52-1
#45945
0.24 AC.
BK 985/564-65
80.00'
50.43 RDS. &
E 80 RDS. FR
NW COR. SW1/4NW1/4
5.08' OFFICE CALL
WEST 147.00'
B-22-1 #19787 0.70 AC. W
E
445.50' (27 RDS.)
445.50' (27 RDS.)
NORTH
SOUTH
P & N
INVESTMENTS,
LLC, ET AL
S16 RDS. &
E 80 RDS. FR
NW COR.
SW1/4NW1/4
SEC. 100
EAST 147.00'
S89'32'15"W
P.O.B.
S 16 RDS. &
E 80 RDS. FR
NW COR.
SW1/4NW1/4
SEC. 100
NORTH
SOUTH
445.50' (27 RDS.)
445.50' (27 RDS.)



CEDAR CITY COUNCIL
AGENDA ITEMS V - 3+4
DECISION PAPER

TO: Mayor and City Council

FROM: Paul Bittmenn

DATE: May 19, 2014

SUBJECT: proposed general land use plan and zone change on property located at 429 West and 400 South.

DISCUSSION:

There is an existing structure located at 429 West and 400 South. In the past this structure has been used and maintained for commercial uses. Recently it has been abandoned. According to the current owner the building is in a state of disrepair. The owner would like to rehabilitate the property and turn it into a residential use. The current zoning on the property is R2-2. Under the R2-2 zoning the developer could reach a density equivalent to a duplex. The owner's plans are to renovate the property in a manner that would accommodate more occupants than are allowed in R2-2. They would like to request the City zone the property R3-M which would allow more occupants than would be permitted in R-2. The total occupants in the building is somewhat limited by the number of parking spaces that can be provided. The owner stated in the last planning commission that the project will develop 11 single occupancy rooms within the building. I am not exactly sure how the 11 rooms will be separated into living units, but with the space on the lot for parking they can have up to 11 occupants.

In order to refurbish the building and have 11 occupants they are requesting a change in the general land use plan. The current general land use plan designation on the property is medium density. The medium density land use is typically used for a R-2 type of zone. The problem with changing this one lot on the City's general land use plan is the next closest property designated high density on the general land use plan is on the corner of 200 South and 300 West. The property around the 429 West and 400 South property is medium density in the City's general land use plan.

In order to have the proper zoning the owner wants the property zoned R3-M, multi-family high density residential. There is a large area of R3-M immediately across the street. So I do not think there would be spot zoning issues where there is a large amount of high density residential property immediately across the street.

The planning commission has held public hearings covering the general land use amendment. The minutes are attached.

Please consider a resolution to amend the general land use plan and an ordinance to change the zone.

This resolution, Cedar City Resolution No. _____, shall become effective immediately upon passage by the City Council and being signed by the Mayor.

Dated this ____ day of May, 2014.

MAILE L. WILSON
MAYOR

[SEAL]
ATTEST:

RENON SAVAGE
RECORDER

CEDAR CITY ORDINANCE NO. _____

AN ORDINANCE OF THE CEDAR CITY COUNCIL AMENDING CEDAR CITY'S ZONING DESIGNATION FROM RESIDENTIAL -2-2 (R-2-2) TO RESIDENTIAL 3-M (R-3-M) ON PROPERTY LOCATED IN THE VICINITY OF 429 WEST AND 400 SOUTH.

WHEREAS, the owners of property located in the vicinity of 429 West and 400 South have petitioned the City to change zoning designation from R-2-2 to R-3-M on property that is more particularly described as:

N 115.4 FT OF RESCINDED COMMERCIAL AREA, BLK 2, VALLEY CIRCLE
SUBDIVISION; NW/4SW1/4 OF SEC 14, T36S, R11W, SLM.

WHEREAS, after providing public notice as required by City ordinance the Cedar City Planning Commission considered the proposed amendment to the City's zoning ordinance and found that the amendment is reasonably necessary, is in the best interest of the public, and is in harmony with the objectives and purposes of Cedar City's zoning ordinance. The Planning Commission has given the proposed zone change a positive recommendation; and

WHEREAS, the City Council after duly publishing and holding a public hearing to consider the proposed zoning amendment finds the proposed amendment furthers the City's policy of establishing and maintaining sound, stable, and desirable development within the City, and promoting more fully the objectives and purposes of the City's zoning ordinance or to corrects manifest errors.

NOW THEREFORE BE IT ORDAINED by the City Council of Cedar City, State of Utah, that the City's zoning designation be amended so that the above described land is designated R-3-M and that City staff is hereby directed to make the necessary changes to the City's zoning map.

Remainder of page intentionally left blank.

This ordinance, Cedar City Ordinance No. _____, shall become effective immediately upon passage by the City Council, signed by the Mayor and Recorder and published in accordance with State Law.

Dated this ____ day of May, 2014.

MAILE L. WILSON
MAYOR

[SEAL]
ATTEST:

RENON SAVAGE
RECORDER

CEDAR CITY PLANNING COMMISSION
MINUTES

April 15, 2014

The Cedar City Planning Commission held a Meeting on Tuesday, April 15, 2014, at 5:15 p.m., in the Cedar City Council Chambers, 10 North Main, Cedar City, Utah.

Members in attendance: Fred Rowley, Rich Gillette, Mike Mitchell, Vance Smith, Jill Peterson, Kent Peterson

Members absent: Chair- Kristie McMullin- Excused

Staff in attendance: Kit Wareham, Paul Bittmenn, Larry Palmer, and Michal Adams

Others in attendance: Tom Pugh, Brent Drew, Ralph McAfee, Ron Larsen, Scott Atkin, and Ravoe Aldredge

Kent made a motion to make Fred the Chair Pro-tem, seconded by Rich and the vote was unanimous.

The meeting was called to order at 5:17 p.m.

ITEM/
REQUESTED MOTION

LOCATION/PROJECT

APPLICANT/
PRESENTER

I. Regular Items

A request was made to move item #4 prior to item #2 and #3. All Planning Commission members agreed to do this.

1- Approval of Minutes (April 1, 2014)
(Approval)

Jill moved to approve the minutes of April 1, 2014, seconded by Mike and the vote was unanimous.

2- General Land Use Mod.
(Recommendation)

429 W 400 S
Low to High Density
Residential

Tom Pugh/ Brent Drew

Vance S. said that he wanted all to know that he would bow out of this discussion, even though this was owned by a different Leavitt company, some people may get it confused with the Leavitt Company that he works for. He is in favor of the change on this parcel.

Tom Pugh presented, he said this was tabled back in December as they were not sure there would be adequate parking. He showed the layout of the parking and there were 14 spaces shown. They will have 11 units in the building so this parking is sufficient. The two spaces on

the west were looked at. Tom indicated that was an existing curb cut and has always been there. There were no other issues that he was aware of. The owner wants to fix this up right. They needed a couple of more units than they can get in the R-2 to make this work. The entire building is in bad shape and in need of repair.

Rich said he had reviewed the last meeting. They need to make this a use that is acceptable. It was tabled at that time for the parking. He asked Larry if this parking was now adequate. Larry said that the parking they have now will meet what they had planned to do. The existing stalls on the west would be grandfathered in. Jill asked again how many bedrooms? That would be 11. Paul wondered how many beds would be in each room and Tom indicated just one. Mike asked if there were anything to prevent them from putting more than 1 person in each bedroom. Just the parking requirements and the size of these rooms would prevent that.

Scott Atkin who lives in Circleway Drive expressed his concerns; he talked about the quality of life, how they were all zoned R-1 then it all went to R-2 and he thinks that things deteriorated at that time. He was not in favor of more traffic; this can be a single family home. He talked about the traffic congestion and felt there were also safety issues. He said that intersection stop sign gets run a lot. He talked about the number of children coming and going from the elementary, and how the street of 400 South was a major dividing line between the R-3 and the R-2 zoning. He said the City spent a lot of time and money on that master plan and he is opposed to any change. He feels it would just deteriorate his neighborhood further.

Fred could agree with some points, as he lives in the area also. He pointed out on the current City zoning map, that this one lot is zoned commercial. It has been a strange spot in the City for many years. He has been by there, and it is a very sad building. The owner can rent it already, put in a pre-school, several things that would multiply the traffic in this area. As sacred as the general plan is, he could come up with nothing better than living space for this building.

Scott pointed out that it could be used as R-2 or even as R-1 now. Fred said he had had discussions with other people not wanting things next to them. The only way to prevent that is if they buy the land themselves.

Scott talked about other areas and situations. Areas that like to have their sense of community and his area is like that of 200 West where they all banded together and made sure that the zone was not changed along their street.

Fred said this building would just continue to deteriorate. With the R-2 they can have 8 bedrooms, and with this change they are only asking for 3 more to make it more feasible to spend the money it will take to update this building. Fred said the hitch is who wants to buy it. Scott reiterated his concerns for property value, and congestion with the higher density.

Fred pointed out that there would be a public hearing on this prior to the City Council meeting. That will be the time to voice all concerns. The Planning Commission makes a recommendation to the Council either for or against.

Jill pointed out that Scott could rally all his neighbors to come to that public hearing.

Fred said that he fully can understand the feelings presented. He tried in his mind to find a

better option for this one particular spot. This building is there already. If it were vacant land, this would never go thru. They are just trying to find a way to make something in this existing building work.

Scott just feels that opening the door to R-3 would be a bad way to go.

Ralph McAfee who also just lives around the corner from this parcel said they were excited when they heard they wanted to do something with this building. It has been a convenience store he also talked about the concern with congestion. They currently have that community feeling and he wants to keep it that way.

Jill feels this is a good compromise as they could have had 16 units and they have come down to 11 as that is all the parking they can get on the parcel.

Rich made a motion to give a positive recommendation of the General Land Use change to the City Council, seconded by Jill and the vote was unanimous.

3- Zone Change

429 W 400 S

Tom Pugh/ Brent Drew

(Recommendation)

R-2 to R-3-Multi

This is a zone change at the same location that was just discussed.

Mike wondered if this would set precedence to making more in that area the R-3 zone.

Each item comes separately and can be voted on separately.

Paul said each change whether large or small is a legislative action. That is something you bind yourself to and stick with. Courts are bound by this. Cities are not held to that same law or rule. They should try to be consistent and fair, but are not bound like other entities. He does not believe that this one zone change sets any precedence to make other lots in this area the same zone.

Kit pointed out that each change would need to go thru the same General Plan amendment also.

Rich moved to give a positive recommendation for this zone change, seconded by Mike and the vote was unanimous.

4- Road Dedication

South Mt. Drive

H&B Capital/ Ron Larsen

(Recommendation)

Ron Larsen said this road dedication would extend the road between Eagle Ridge at South Mountain to the existing dedicated road to the west that goes further west into Westview Drive. This would be a 66' road dedication to the City. He pointed out on the map the portion from Westview Drive to the east that was already dedicated. This would connect those two and make the road complete thru there. Kit talked about the portion that was already dedicated from one point clear to Westview Drive.

Ron also said that this road follows an existing 16" waterline that goes from Quichapa Line #1 and will follow that transmission line.

Mike wanted them to explain just what a road dedication was.

Ron said the property will be deeded and then owned by the City for a road. There is an easement there now for that waterline, this would actually deed this strip to the City and the

Vance asked about all utilities. Kit said they will extend all those utilities in the new portion of the road to access all of these new lots. There is great water pressure in this area.

Rich moved to approve the Vicinity of this subdivision, seconded by Jill and the vote was unanimous.

PUBLIC HEARING

**3- General Land Use Mod.
(Recommendation)**

**429 W 400 S
Low to High Density
Residential**

Tom Pugh/ Brent Drew

Overlooked the public notice of this public hearing when it was discussed before, so it has now been advertised. There were no comments.

Closed public hearing.

II. Staff Items

1- Discuss Planning Commission members going on tour of items.

Kit said they used to take any members interested on tour of items the week prior to the Tuesday meetings. He thought they could do Friday at 5. Most felt that would be a good idea to look at some items before they get to the meetings. The date and time was discussed and it was determined to schedule this at 4:30 on the Friday prior to each Planning Commission meeting.

The meeting adjourned at 5:35 p.m.

Michal Adams Administrative Assistant

**CEDAR CITY COUNCIL
AGENDA ITEM 5**

DECISION PAPER

TO: Mayor and City Council

FROM: Russ Volk

DATE: May 21, 2014

SUBJECT: Consider Raw Land Lease Request

RECOMMENDATION: Airport Board has approved this lease request and asked to forward on to City Council for consideration

DISCUSSION: Blackburn Management, LLC. (Brenda Blackburn) has requested that she be allowed to lease a parcel just north of her existing terminal on Kitty Hawk Dr. This was the location of the old airport terminal. Construction of a new airplane hangar is planned for this location.

The Airport Board considered this matter at its meeting on May 8th, 2014 and voted to approve this request and forward on to City Council for consideration.

Request the City Council consider this lease request and allow the Mayor to sign the lease documents.

LEASE

THIS AGREEMENT, made and entered on this 29 May 2014, by and between CEDAR CITY CORPORATION, 10 North Main Street, Cedar City, UT 84720, a municipal corporation organized and existing under the laws of the State of Utah, hereinafter referred to as the LESSOR, and Blackburn Management, LLC., a Utah Limited Liability Corporation hereinafter referred to as the LESSEE.

WITNESSETH:

The LESSOR, in consideration of the rental herein agreed to be paid by the LESSEE, and other terms herein to be performed by LESSEE, hereby leases unto LESSEE, that parcel of property located at the CEDAR CITY REGIONAL AIRPORT, Cedar City, Utah, as shown in Exhibit A and more particularly described as follows:

Add Legal Description
Lot size – 140' X 160'

ARTICLE I

TERMS AND RENTALS

1. Term. The term of this Lease shall be for a period of TWENTY (20) years commencing on the 29 May 2014, and expiring on the 29 May 2034, unless sooner terminated or extended as provided by this Lease. During said 20-year period, the parties shall evaluate the consideration set forth in paragraph 3 of this Article every 5 years to determine sufficiency or fairness thereof. Lessor may increase the consideration, at a rate not to exceed the aggregate percentage of increase in the overall national consumer price index for the previous five (5) years and not to exceed a maximum of 15 percent. The lesser of the two rates will be utilized.

2. Option to Renew. LESSEE is hereby granted the option to renew this Lease for five

separate and successive terms of five (5) years each, subject to negotiation of consideration acceptable to both parties, provided, however, that LESSEE shall give LESSOR written notice of its intention to exercise its option at least sixty (60) days prior to the expiration of this Lease and at least sixty (60) days prior to the expiration of each successive five (5) year renewal term. Any termination for failure to exercise such option shall require thirty (30) days written notice to LESSEE. LESSEE may exercise the option within said 30-day period.

3. Consideration. As and for consideration for the terms set forth herein, the parties stipulate and agree to the sum of \$ 2016.00 per year.

ARTICLE II

SPECIAL COVENANTS-CEDAR CITY REGIONAL AIRPORT

1. Airport Purposes. The LESSEE agrees as a condition precedent to this Lease and to the use and occupancy of the Lease premises that the LESSEE shall at all times use the leased premises for the primary purpose of constructing and occupying one (1) hangar. LESSEE shall commence construction by way of obtaining a building permit within one year from the date of commencement of this Lease. It is the purpose of this Lease to foster and abet air commerce at Cedar City Regional Airport, and it is not the intent of this Lease to provide premises for uses which do not promote the development and use of the Cedar City Regional Airport. All uses normally incidental to an airport such as car rental agencies, limousine service, restaurants, non-aeronautical businesses, insurance sales, and other such incidental services not directly related to general and commercial aviation are expressly prohibited unless specifically permitted or provided for in this Lease. Any assignment or sub-lease of the leased premises shall comply at all times with these conditions as to use and occupancy of the premises. Any primary use or

occupancy contrary to the purposes set forth in this agreement shall constitute a breach of this Lease, and any assignment or sub-lease permitted under the provisions of this Lease shall contain this limitation.

2. LESSEE'S PURPOSE.

(a) LESSEE intends to comply with the use and occupancy policies stated in the Lease and will occupy the premises for the purposes of constructing and occupying one Aircraft Hangar.

(b) The LESSEE agrees to notify the LESSOR in writing of any intended change of primary purpose prior to any such change being made by the LESSEE. Any such change in primary purpose shall be first approved by the LESSOR. The LESSOR shall promptly review the proposed change in purpose, and shall consent in writing to the proposed change if such change is consistent with the purposes set forth in paragraph 1 (Airport Purposes) of this Article. It is understood that these provisions as to change are necessary in order for the City to be advised at all times of the various uses and purposes of uses of all the leased premises on Cedar City Regional Airport.

(c) Failure to commence construction by way of obtaining the building permit within 1 year of the date of commencement of this lease shall constitute a material breach of this Lease Agreement.

(d) LESSEE is responsible for cleanup of all construction refuse from results of any construction on their leased land. All clean-up must be accomplished within fourteen (14) days of completion of construction and issuance of Certificate of Occupancy. If cleanup is not accomplished by LESSEE, LESSOR may at their choosing perform the cleanup and bill LESSEE

for cleanup services.

3. Other Uses. The LESSEE shall not use or permit any part of the leased premises to be used for any unlawful purpose or for any purpose or use that may constitute a nuisance or fire hazard. The LESSEE shall not use or allow the leased premises or any part thereof to be used or occupied for any purpose in violation of any law, lawful order, rule or regulation concerning the operation or use of Cedar City Regional Airport.

4. Subordination of Lease.

(a) This Lease shall be subordinate to the provisions of any existing or future agreement between the LESSOR and the United States relative to the operation or maintenance of Cedar City Regional Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development or operation of Cedar City Regional Airport.

(b) In connection therewith, the LESSOR has undertaken and may in the future undertake certain obligations respecting its operation of Cedar City Regional Airport and activities of its contractors, lessees and permittees thereon. The performance by LESSEE of the covenants, promises and obligations contained in this agreement is therefore a special consideration and inducement to the execution of this agreement by the LESSOR and LESSEE. The LESSEE further covenants and agrees that if the administrator of the Federal Aviation Administration, or any other governmental official or body having jurisdiction over the enforcement and the obligations of the City in connection with Federal or State aid, shall have made any orders or required recommendations respecting the performance by LESSEE of its obligations under this agreement, LESSEE shall promptly comply therewith, at such times and to the extent that the

City may direct consistent with said orders or required recommendations. Failure on the part of the LESSEE promptly to comply with any such notice or direction shall be cause for cancellation of the agreement by LESSOR.

5. LESSEE's Right to Terminate. Should any governmental body, agency, or official, other than LESSOR, prohibit or otherwise prevent for an unreasonable length of time the use of Cedar City Regional Airport in its present condition for a public airport, or should the continued use of Cedar City Regional Airport as an airport otherwise become impossible or unlawful without the fault of the LESSEE, the LESSEE shall have the option to terminate the Lease on thirty (30) days written notice to the LESSOR, and upon such termination, this agreement shall be at an end. The LESSOR shall notify the LESSEE in writing of the prohibition, and the failure of the LESSEE to exercise the option to terminate within thirty (30) days shall terminate the LESSEE's right of option.

6. Discriminatory Acts Prohibited.

(a) The LESSEE shall furnish any service to be rendered by the LESSEE in connection with or upon leased premises on a fair, equal, and not unjustly discriminatory basis to all users thereof.

(b) The LESSEE, in its use and occupancy of the leased premises, shall not discriminate against any person or class of persons by reason of race, color, religion, sex, age, handicap or national origin.

(c) The LESSOR shall give ten (10) days notice to the LESSEE of any alleged violations of sub-paragraph (a) or (b) and request the LESSEE either correct or justify any such alleged violation. In the event that such allegation remains in dispute, the matter shall be resolved by

final decision of the appropriate administrative body or Court of competent jurisdiction.

LESSEE shall have thirty (30) days to comply with said decision; in the event of non-compliance, this Lease shall terminate. Any service or rate regulated by a State or Federal regulatory agency shall be deemed to be in compliance with the requirements of sub-paragraphs (a) or (b) until shown to be otherwise in an appropriate proceeding before the agency.

(d) The LESSOR, at its option, may forthwith terminate this Lease without any liability to LESSEE thereunder for any failure by LESSEE without justification to comply with the provisions of subparagraph (a) and (b), subject to the provisions of the preceding paragraph[®]).

7. Sign. The LESSEE may not, without the LESSOR's consent, place or erect any sign on the leased premises. At the termination of this Lease, any such signs shall be removed by the LESSEE at the LESSEE's own expense.

8. LESSOR Definition. The LESSOR includes the City Manager and the Public Works Director.

ARTICLE III

DEFAULT AND ENFORCEMENT

1. Acts of Default Defined. Each of the following shall be deemed a default and a breach of this Lease:

(a) Failure to do, observe, keep and perform any of the terms, covenants, conditions, agreements and provisions of this Lease on the part of the LESSEE or LESSOR for a period of thirty (30) days after notice, except that if any default is not susceptible of being cured within thirty (30) days, either party shall be permitted an extension of thirty (30) days to cure such default, provided they commence promptly and proceed diligently and in good faith to cure such

default within the thirty (30) day period; or

(b) The abandonment of the premises by the LESSEE, the adjudication of the LESSEE as a bankrupt, the making by the LESSEE of a general assignment for the benefit of creditors, or any insolvency act that jeopardizes LESSOR's rights hereunder, the appointment of a permanent receiver or trustee in bankruptcy for the LESSEE's property, the appointment of a temporary receiver or trustee in bankruptcy for the LESSEE's property, or the appointment of a temporary receiver not vacated or set aside within ninety (90) days from such appointment, for a period of ten (10) days after notice.

2. LESSOR's Remedies on Default. In the event of any such default by the LESSEE, and at any time thereafter the LESSOR elects to terminate this Lease upon a specified date not less than thirty (30) days after the date of serving such notice, except in case of a default under sub-division (b) of paragraph 1 of this Article in which event such notice shall not be less than ten (10) days from the date of service of such notice, this Lease shall then expire on the date so specified as if the date had been originally fixed as the expiration date of the term, including all options for renewal herein granted, unless such default shall be deemed waived by instrument in writing signed by the LESSOR, or cured by LESSEE before the expiration of the period specified in the notice of termination of this Lease served on the LESSEE. It is expressly agreed by the LESSEE that the written notice may, at the LESSOR's option, by statement expressly included in the notice, be the written notice required by the forcible entry and detainer statutes.

3. LESSEE Remedies on Default. In the event of LESSOR's default, and at any time thereafter, the LESSEE may, upon written notice to the LESSOR, be entitled to the following:

(a) All rights and remedies available at law or in equity, said rights and remedies to be

cumulative; and

(b) The option of terminating the lease without further liability, upon thirty (30) days notice filed by the LESSEE to the LESSOR.

4. LESSOR's Re-entry on Default. In the event that this Lease shall be terminated as provided in paragraph 2 of this Article, or otherwise, or in the event that the premises, or any part thereof shall be abandoned by the LESSEE, 30 days vacancy of the premises without notice shall be deemed abandonment, the LESSOR may immediately or at any time thereafter, re-enter and resume possession of the premises or any part thereof, and remove all persons and property therefrom, either by a suitable action or proceeding at law, or by any other lawful means. No re-entry by the LESSOR shall be deemed an acceptance of a surrender of this Lease or a liquidation or satisfaction to any extent whatever of LESSEE's liability to pay rent and additional rent as herein provided.

5. Right of LESSOR to Re-let. In the event that this Lease shall be terminated as herein provided, or otherwise, or if the premises, or any part thereof, shall be abandoned by the LESSEE, the LESSOR may, in its own name, but as agent for the LESSEE if the Lease be not terminated, or if the Lease be terminated in its own behalf, re-let the whole or any portion of the premises for any period equal to or greater or less than the remainder of said term, for any sum which it may deem suitable and satisfactory, and for any use and purpose which it may deem appropriate, and in connection with any such Lease the LESSOR may make such changes in the character of the improvements on the premises as the LESSOR may determine to be appropriate or helpful effecting such Lease. However, in no event shall the LESSOR be under any obligation to re-let the premises to any lessee which the LESSOR, in the exercise of reasonable discretion,

shall deem to be objectionable. The LESSOR shall not in any event be required to pay the LESSEE any surplus of any sums received by the LESSOR on a re-letting of the premises in excess of the rent reserved in this Lease.

6. Damages on Default. In the event that this Lease is terminated by reason or default, or if the premises shall have been abandoned, whether or not the premises are re-let, the LESSOR shall be entitled to recover from the LESSEE, and the LESSEE shall pay to the LESSOR the following costs:

(a) An amount equal to all expenses, if any, including reasonable attorney's fees incurred by the LESSOR in recovering possession of the premises, and all reasonable costs and charges for care of the premises while vacant, which damages shall be due and payable by the LESSEE to the LESSOR at such time as such expenses shall have been incurred by the LESSOR; and

(b) An amount equal to the amount of all rent reserved under this Lease, less the net rent, if any, collected by the LESSOR on the several days on which the rent would have become due and payable; that is to say, upon each of such days the LESSEE shall pay to the LESSOR the amount of deficiency then existing. Such net rent collected on re-letting by the LESSOR shall be computed by deducting from the gross rents collected all expenses incurred by the LESSOR in connection with the re-letting of the premises or any part thereof, including, without limitation, brokers' commissions and the cost of repairing the premises or removing any structures.

7. Separate Action for Damages. Without any previous notice of demand, separate action may be maintained by the LESSOR against the LESSEE from time to time to recover any damages which, at the commencement of any such action, have then or theretofore become due and payable to the LESSOR under this Lease, without waiting until the end of the then-current

term.

8. LESSOR's Failure to Enforce and Non-waiver. No failure by the LESSOR to insist upon the strict performance of any term, condition or covenant of this Lease or to exercise any right or remedy available on a breach thereof, and no acceptance of full or partial rentals during the continuance of any such breach shall constitute a waiver of any such breach or any such term, condition, or covenant. No term, condition or covenant of this Lease required to be performed by the LESSEE, and no breach thereof, shall be waived, altered or modified, except by a written instrument executed by the LESSOR. No waiver of any breach shall affect or alter any term, condition or covenant of this Lease, and such term, condition or covenant shall continue in full force and effect with respect to any other than existing or subsequent default or breach thereof, and any other or subsequent default or breach may be enforced by the LESSOR as provided by this Lease.

9. LESSOR's Rights Cumulative. The rights given to the LESSOR in this Lease are cumulative, and in addition to any right that may be given to the LESSOR by any statutes, rule of law or otherwise, the LESSOR may exercise any such rights without limitations.

10. LESSOR's Right to Perform. If the LESSEE shall be in default hereunder, the LESSOR at LESSOR's discretion may cure such default on behalf of the LESSEE for the account and at the expense of LESSEE, in which event the LESSEE shall reimburse the LESSOR for all sums paid to effect such cure, together with interest at the rate of eight percent (8%) per annum and reasonable attorney's fees. In order to collect such reimbursements the LESSOR shall have all the rights and remedies available under this Lease for a default of payment of rentals. The LESSOR shall give thirty (30) days notice to the LESSEE of LESSOR's

intent to cure the defect, but no notice shall be required if in the LESSOR's reasonable opinion an emergency exists. The provisions of this paragraph shall survive the termination of this Lease.

11. Rights of Access. The LESSOR shall have the right to enter upon the leased premises during reasonable hours (except in an emergency) to examine it, to show it to prospective Lessees, to post a "to let" or other similar signs within six (6) months prior to the expiration of any term, and to inspect, repair and take care of any utilities thereon. The LESSOR reserves the right of access and the right to abate any nuisances or hazardous conditions on the premises at LESSEE's account and expense, including reasonable attorneys' fees, existing after ten (10) days notice has been given to abate such nuisance, hazard, provided no notice shall be required when in the LESSOR's reasonable opinion an emergency exists.

12. Surrender of Premises. At the expiration of any Lease term, or upon termination of this Lease as provided herein, the LESSEE shall peacefully and quietly surrender the leased property in as good a condition as it was at the beginning of the initial term, reasonable use and wear and damages by the elements excepted.

13. Design of Building and Improvements. The design of any additional buildings or external improvements to be placed on said leased property by LESSEE shall first be approved by LESSOR as to size, location, and materials used in the installation of the same. Furthermore, the height of any such building erected by LESSEE shall not exceed heights as set forth in FAA regulations.

14. Landscaping. Landscaping shall be installed and maintained by the LESSEE to conform to the requirements of the protective covenants of the Cedar City Industrial Park at

LESSEE's expense.

15. Storage. Storage of any and all materials by LESSEE shall be made within the building installed by LESSEE on the premises and no equipment, trailers or other items, other than operable vehicles and aircraft, shall be stored outside said buildings. LESSEE shall maintain clean premises and shall not allow the accumulation of waste or garbage. At no time will LESSEE park any aircraft or vehicles on a non-paved surface.

ARTICLE IV

GENERAL COVENANTS

1. Conditions and Status of Premises. The LESSEE represents that LESSEE has examined the leased premises and accepts the premises in the condition in which they are, without representation or warranty, express or implied in fact or by law, by the LESSOR as to the title, nature, condition or usability of the premises for the purposes set forth in the Lease. Lessor warrants that it has title to the property, and the capacity, both legal and actual, to enter into this Lease and to grant the estate free and clear of any other liens or claims.

2. Maintenance of Premises. The LESSEE shall keep and maintain at all times the entire premises in good repair and in a neat, orderly and slightly condition. The LESSEE shall not cause or permit to remain any litter, debris, or other items and materials of any kind whatsoever (including garbage, gasoline drums, whether with or without any value) to be stored or to remain upon the leased premises without the express permission of the LESSOR. The LESSEE shall agree to remove all materials including litter, when so requested by the LESSOR, and upon the failure of the LESSEE to do so within five (5) days after such notification, the LESSOR may so remove or restore the premises at LESSEE's expense.

3. Compliance with Law. LESSEE shall comply with, abide by and conform to all laws, governmental order, City Charter, ordinances, rules and regulations, including any future amendments thereto, controlling or in any manner affecting LESSEE's use or occupancy of the premises, provided LESSOR shall indemnify and hold LESSEE harmless from damages resulting from hazardous materials not introduced by LESSEE.

4. Inspection. The LESSEE shall permit the LESSOR, or LESSOR's authorized agents and employees, to enter upon the premises at any reasonable appointed time for the purpose of inspecting condition of the premises or the use thereof.

5. Taxes and Assessments. The LESSEE, in addition to the rentals provided for herein, shall pay when due (and before delinquency) all taxes, assessments and charges upon the leased premises, and upon buildings, improvements and property thereon, which are assessed or charged at any time during the term, including all required Cedar City business licenses. The LESSEE shall have the right at all times to protest any assessments of taxes or other assessments or charges, but the LESSOR may require the LESSEE to deposit with the LESSOR any sums in dispute to insure payment in the event that any protest is unsuccessful. This paragraph expressly excludes mechanic's and materialman's liens covered under Article IV-14.

6. Utilities. The LESSEE shall pay and be responsible for all charges for gas, electricity, water, light, heat, power, sewer and other utility services used in or about or supplied to the leased premises.

7. Liability. The LESSOR shall not be liable for injury or damage to persons or property occurring within or upon the leased premises, unless caused by or resulting from the negligence of the LESSOR or any of the LESSOR's agents, servants or employees in the operation or

maintenance of the leased premises. LESSEE covenants that LESSOR is to be free from liability and claim for damage by reason of any injury to any person or persons including LESSEE, its agents, or employees, or property of any kind, whosoever belonging, including LESSEE's, resulting from any cause or causes whatsoever, except for alleged claims based upon negligence or other misconduct by the LESSOR, while in, upon, or in any way connected with the premises during the term of this Lease, or any use or occupancy hereunder. LESSEE covenants to indemnify and hold harmless LESSOR from all liability, loss, costs (including LESSEE's or LESSOR's attorneys' fees) and obligations on account of or arising out of any such injuries or losses, however occurring, including any acts, negligent or otherwise, by the agents, independent contractors, employees, or servants of the LESSEE, and the LESSEE agrees to defend the LESSOR at the LESSEE's cost (including attorney's fees) against all such claims, actions or suits, brought against the LESSOR.

8. Liability Insurance. LESSEE shall at all times during the term of this Lease maintain in force an insurance policy or policies which will name LESSOR and LESSEE as insured against all liability resulting from injury occurring to persons in or about the premises, the liability for such insurance to be not less than \$600,000.00, for any one person injured, \$2,000,000.00 for any one accident and \$200,000.00 for property damage. LESSEE shall provide a Certificate to LESSOR verifying said insurance. The original of such policy or policies shall remain in the possession of LESSEE, provided however; LESSOR shall have the right to receive from LESSEE, upon demand, a duplicate policy or policies of any such insurance.

9. Subsidence. The LESSOR shall not be responsible for any washout, subsidence, avulsion, settling or reliction neither to the premises, nor for any injury caused thereby to the

property of the LESSEE or any person occupying the premises. The LESSOR shall not be obligated to replace, refill or improve any part of the leased premises during LESSEE's occupancy, in the event of such washouts, subsidence avulsion, settling or reliction.

10. Risk of Loss. No destruction or damage to any building or improvement on the leased premises by fire, rain, ice, snow, windstorm, earthquake, aircraft accident, or any other casualty or action of the elements shall entitle the LESSEE to surrender possession of the leased premises, to terminate this Lease, to violate any of its provisions, or to cause any rebate or abatement in rent when due or thereafter becoming due under the terms hereof, except that if 60% or more of LESSEE's building on the premises are damaged or destroyed through acts of God or acts beyond the control of LESSEE, the LESSEE may terminate this Lease upon 30 days written notice, provided LESSEE shall repair or renovate structures, or remove debris, whichever is most economically feasible. If LESSEE elects to rebuild or remain on the premises, all obligations hereunder shall continue.

11. Repair and/or Rebuilding. Upon the destruction or damage to any building or structure by fire, rain, ice, snow, windstorm, earthquake, aircraft damage, or any other casualty or action of the elements, the LESSEE shall have the right to repair, restore or rebuild the building or structure, so long as construction commences within six (6) months and is complete within one (1) year after the date of such occurrence. LESSOR may extend the above deadlines at LESSOR's discretion. If LESSEE chooses to repair or rebuild, all obligations hereunder shall continue.

12. Condemnation.

(a) If the leased premises, or any part thereof, rendering the remainder unusable is taken by eminent domain, this Lease shall expire on the date when the leased property is taken by a

declaration of taking, without prejudice to LESSEE's rights against condemnor, or on the date when the condemnor is granted possession of the premises and the rent shall be apportioned as of that date.

(b) The LESSEE shall be entitled to the award of the building structures and improvements placed upon the premises by the LESSEE whether existing at inception or subsequently erected, and the LESSOR shall be entitled to the award from the ground leased and for any improvements placed upon and benefitting the premises by the LESSOR or acquired by the LESSOR from the LESSEE or any other person.

(c) The LESSEE shall be entitled to relocation costs if provided by law.

13. Reservation of Rights of Way and Easements. The LESSOR reserves for the purpose of constructing and maintaining City utilities:

(a) The right of reasonable ingress and egress to, over and from the leased premises for these purposes; and

(b) Reasonable easements over, under and through the leased premises for these purposes.

14. Liens and Encumbrances. If at any time during said term, whether during the period of construction or reconstruction of buildings, or at any other times, any liens or encumbrances of mechanic, laborers or materialmen, or secured transactions (not consented to by the LESSOR), shall be filed against the premises or any part thereof, the LESSEE shall, at its own expense procure the liens and/or encumbrances to be discharged by payment, bonding or otherwise as provided by law, and as a condition precedent to this Lease, discharge the liens or encumbrances within thirty (30) days after receiving written notice from the LESSOR that the same is filed or recorded, provided however, LESSEE shall have the right to contest the validity or amount of any such lien or claimed lien. In the event of such contest, LESSEE shall give to LESSOR

reasonable security as may be demanded by LESSOR to insure payment thereof and prevent any sale, foreclosure or forfeiture of the premises or improvements by reason of such non-payment. Such security need not exceed on and one-half times the amount of such lien or claimed lien. The LESSEE, upon reasonable notice and request in writing from the LESSOR, shall also defend for the LESSOR, at the LESSEE's sole cost and expense, any action, suit or proceeding which may be brought on or for the enforcement of any lien or encumbrance and shall pay any damages and satisfy and discharge any judgment entered in such action, suit or proceeding and save harmless the LESSOR from any liability claim or damages resulting therefrom. In the event of default by the LESSEE procuring the discharge as aforesaid of any such lien, or security transaction, the LESSOR may, at the LESSOR's option, terminate this lease, or without further notice procure the discharge thereof by bonding or payment or otherwise, and all cost and expenses to which the LESSOR may be put in obtaining such discharge shall be paid by the LESSEE to the LESSOR as additional rent.

15. Assignment or Sub-leasing.

(a) The LESSEE shall not assign or sub-let any interest in the premises, without the prior written consent of the LESSOR; said consent shall not be unreasonably withheld. Any violation of this covenant shall be subject to the provisions of Article III, Default and Enforcement, of this agreement. The LESSEE covenants not to assign or sub-lease its interest in the premises unless the proposed assignee or sublessee agrees in writing to assume and perform all the terms, conditions and covenants of the Lease imposed by the LESSOR. The LESSEE shall furnish the LESSOR with a copy of any proposed assignment or sub-lease for approval prior to any assignment or sub-lease, and shall further furnish a copy to the LESSOR of any executed assignment or sub-lease.

(b) No assignment, sub-lease, or occupancy permitted under sub-paragraph (a) of this paragraph shall relieve LESSEE of any of LESSEE's obligations herein, and LESSEE agrees to hold the LESSOR harmless from loss because of the non-payment of rentals, taxes or assessments or other charges incurred on the premises by any assignee, sub-lease or occupant.

(c) Prior written consent by the LESSOR shall not be unreasonably withheld. Consent to the sub-lease or assignment may only be withheld if the proposed sub-lease or assignment, or the use represented thereby, is contrary to the provisions of this Lease, or violates FAA criteria for airport related property.

16. Mortgages and Encumbrances.

(a) The LESSEE covenants that it shall not mortgage or otherwise encumber this Lease (including LESSEE's leasehold estate in the installation of improvements thereon) without the prior consent of the City in writing. Any violation of this covenant shall be subject to provisions of Article III, Default and Enforcement, of this agreement. In no event shall there be at any time more than one existing mortgage of this lease.

(b) The LESSOR's consent to the mortgage or encumbrance shall not be unreasonably withheld. The LESSEE shall furnish the LESSOR with a copy of any security transactions mortgaging or encumbering the premises for the LESSOR's approval prior to any mortgaging or encumbering of the premises, and shall further furnish a copy to the LESSOR of any such executed security transactions.

17. Quiet Enjoyment. Conditioned upon LESSEE's paying the rent herein provided and performing and fulfilling all covenants, agreements, conditions and provisions of this Lease herein to be kept, observed and performed by LESSEE, LESSEE shall have and may at all times during the term hereby granted peaceably and quietly hold, have and enjoy the leased premises.

18. Buildings and Improvements. At the conclusion of this Lease, any building, fixtures, and improvements then existing on the premises shall belong to LESSOR and all personal property shall belong to LESSEE. LESSEE may, however, remove any building and restore the property to its original condition.

19. Holdover. In the event the LESSEE shall hold over after the termination of this Lease for any cause whatsoever, such holding over shall be deemed a tenancy from month to month only, at the same rental per month and upon the same terms, conditions and covenants as set forth herein. Such holding over period shall include any time employed by the LESSEE to remove any buildings, structures or improvements permitted by this Lease.

20. Modification. The Lease shall not be modified, altered or changed in any way whatsoever unless in writing and signed by both parties hereto.

21. Notice.

(a) Any notice under this Lease shall be in writing and shall be sent registered or certified mail to the last known address of the parties to whom the notice is to be given, as designated by such party in writing. The LESSOR hereby designates its address as: 10 North Main, Cedar City, Utah 84720.

(b) Any notice shall be deemed to duly govern only if mailed in a postpaid envelope addressed as provided in sub-paragraph

(c) If either party admits, either in writing or under oath, the receipt of notice, evidence of service in accordance herewith shall not be necessary.

(d) Any notice, demand, request or other communication required to be in writing shall be deemed to have been given at the time it is duly deposited and registered in any United States Post Office. This provision shall not apply to any payments of rentals or monies required under

this Lease.

22. LESSEE Independent Contractor. LESSEE is and shall be an independent contractor, and shall be in no manner whatsoever the agent or servant of the LESSOR. The LESSEE is responsible to all parties for all of its acts or omissions, and the LESSOR shall be in no way responsible therefore.

23. Jurisdiction. It is agreed that any civil action concerning this Lease shall be commenced in a court of competent jurisdiction in Iron County, Utah.

24. Time is of the Essence. It is agreed and understood by the parties that time is of the essence as to each and every provision, condition, covenant or other term of this Lease.

25. Captions. The captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Lease, nor the intent of any provisions thereof.

26. Successors in Interest. All of the terms, covenants, conditions and agreements herein contained shall in every case be binding upon the respective heirs, legal representatives, successors and assigns of the parties hereto, and all terms, covenants, conditions and agreements contained herein shall be deemed to be not only for the benefit of and enforceable against the LESSEE, but also against the heirs, legal representatives, successors and assigns of the LESSEE, and that the LESSEE shall not be discharged from any liability by any assignment or sub-lease of the premises, or any part thereof, or of this Lease, notwithstanding the fact that the LESSOR has consented to such sub-lease or assignee as a Lessee hereunder.

27. Recordation of Lease. The LESSOR intends to record this lease with the Iron County Recorder.

28. Invalid Provisions. In the event that any covenant, condition or provision herein

contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained, provided the invalidity of such covenant, condition or provision does not materially prejudice either LESSOR or LESSEE in its respective rights and obligations contained in the valid covenants, conditions or provisions of this Lease.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year set forth above.

LESSOR:

Maile Wilson, MAYOR
Cedar City Corporation

ATTEST:

RENON SAVAGE, CITY RECORDER

STATE OF UTAH)
 : Ss.
COUNTY OF IRON)

This is to certify that on the ____ day of _____, 20__, before me, the undersigned, a Notary Public, in and for the State of Utah, duly commissioned and sworn as such, personally appeared Maile Wilson, known to me to be the Mayor of Cedar City Corporation, and Renon Savage known to me to be the City Recorder of Cedar City Corporation, and acknowledged to me that he the said Maile Wilson and she the said Renon Savage executed the foregoing instrument as a free and voluntary act and deed of said corporation, for the uses and purposes therein, and on oath state that they were authorized to execute said instrument, and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

NOTARY PUBLIC

Blackburn Management, LLC Signature Page

LESSEE:

Brenda Lee Blackburn
Member

STATE OF UTAH)

: Ss.

COUNTY OF IRON)

On this ____ day of _____, 20____, personally appeared before
me _____ who duly acknowledged to me that he/she/they
signed the above and foregoing document.

NOTARY PUBLIC

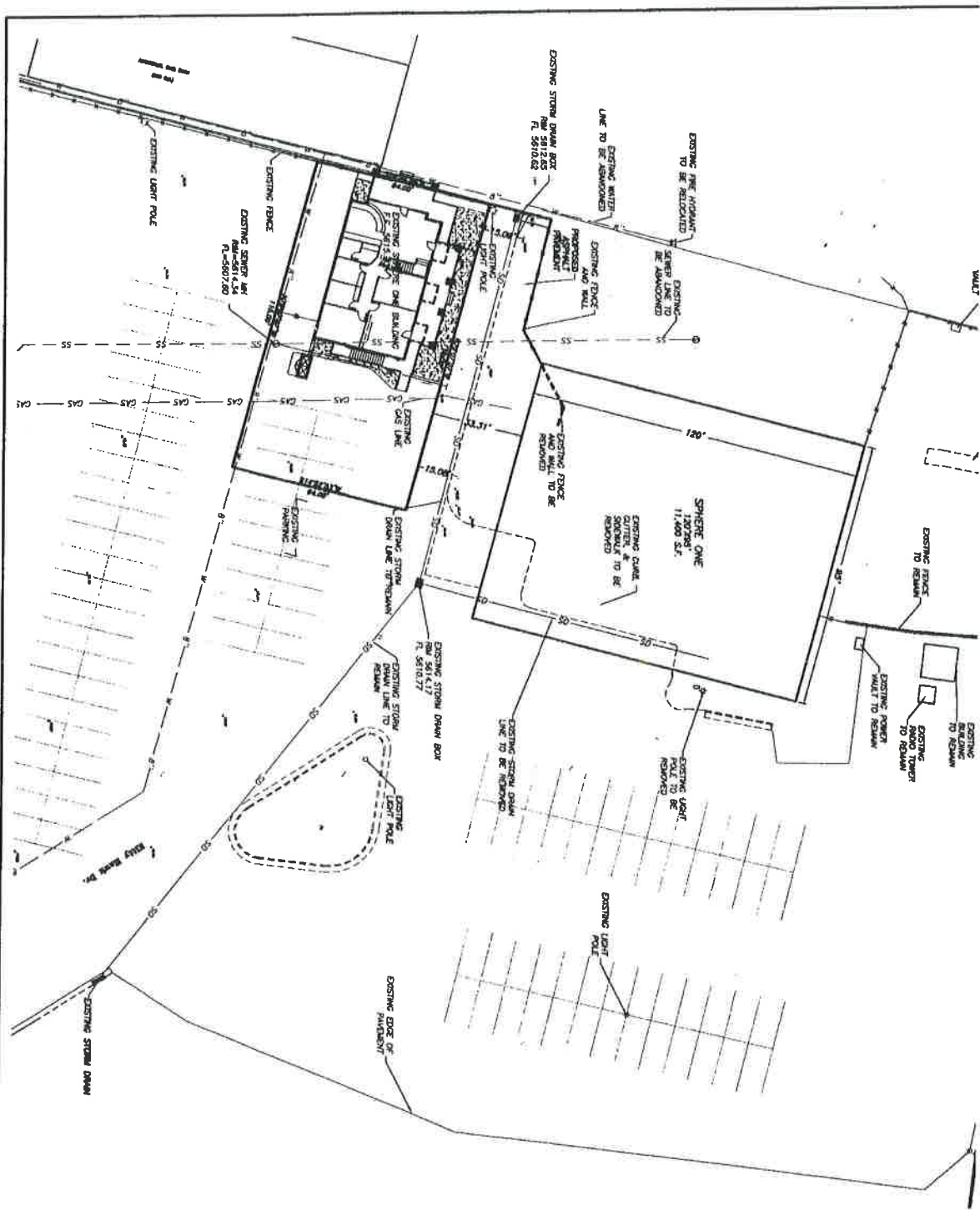


Exhibit A

CEDAR CITY COUNCIL
AGENDA ITEM 6

INFORMATION SHEET

TO: Mayor and City Council

FROM: Rick Holman

DATE: May 19, 2014

SUBJECT: Golf Course barrier

DISCUSSION: As you know, the UPDRIP committee has made strides in helping to mitigate some of the impacts of the prairie dog in our area. The most recent was getting an approval for a barrier (fence) on the west and a portion of the south boundary of the Cemetery. Approximately 725 lineal feet of fence is being installed. The materials were a shared purchase from UPDRIP and the Cemetery, approximately \$12,000.

When the fence is completely installed, trapping will be done during July and August. Any remaining dogs may be lethally taken according to US Fish & Wildlife methods.

The Golf Course is the next proposed project. Approximately 10,000 feet of fence is proposed to be installed from the north side of hole 15, along the west boundary of the golf course and along the south boundary to the hill east of hole 4 green. The plan and design have been approved by the US Fish & Wildlife.

The Utah Legislature approved \$100,000 toward this project and Iron County has committed \$30,000 as well. The City is requested to pledge \$30,000 for the project as well. These funds are anticipated to cover the cost of materials, according to the prices for the Cemetery fence. I would propose the City portion come from the Capital Improvement Fund. The materials need to be purchased before June 30 for the legislative funding.

**CEDAR CITY
COUNCIL AGENDA ITEM 7
STAFF INFORMATION SHEET**

TO: Mayor and Council

FROM: Trevor McDonald

DATE: May 21, 2014

SUBJECT: Review Bids for the Aviation Way MTI Improvement Project

DISCUSSION:

Bids for the subject project were received Tuesday, May 6th. The project includes widening the pavement on Aviation Way and installing curb, gutter, sidewalk, and streetlights in front of Metalcraft Technologies, Inc. As shown on the attached bid summary sheet, Mel Clark, Inc had the low bid of **\$218,542.75**. The project has been awarded financial assistance up to the budgeted amount of \$252,000.00. This project will be partially funded with federal funds from the US Department of Commerce, Economic Development Administration and therefore is subject to the Federal Laws and Regulations associated with that program.

The recommended low bid has been approved by the EDA office. City Council may proceed with the award. Whoever the bid is awarded to, it would be on the condition that SyberJet is permitted to begin construction on their hanger, the contractor provide the required executed bonding, insurance documents, immigration status verification and that the Mayor be authorized to sign the contract with the contractor.

It is recommended that the bid for the Aviation Way MTI Improvement Project be awarded to Mel Clark, Inc. for the amount of \$218,542.75.

**Aviation Way MTI Improvement Project
Bid Summary**

Financial Award Amount **\$252,200.00**

Contractor		Bid
Mel Clark, Inc.		\$218,542.75
Schmidt Construction		\$221,699.30

APPARENT LOW BID: MEL CLARK, INC.

**CEDAR CITY
COUNCIL AGENDA ITEM 8
STAFF INFORMATION SHEET**

TO: Mayor and Council

FROM: Trevor McDonald

DATE: May 21, 2014

SUBJECT: Review Bids for the Airport Road Sewer Replacement Project

DISCUSSION:

Bids for the subject project were received Thursday, May 15th. The project includes replacing the Airport Road sewer line from Industry Way to about 1600 North with new 22" HDPE sewer pipe and new polymer concrete manholes. Polymer concrete and HDPE pipe will withstand the corrosive environment of the sewer. The recommended pipeline construction method is pipe-bursting, a trenchless technology that will cut and wedge the existing pipe wider while pulling in the new pipe from behind.

As shown on the attached bid summary sheet, Precision Pipeline had the low bid of **\$671,430.10**. The engineer's estimate was \$761,958.00. Whoever the bid is awarded to, it would be on the condition that the contractor provide the required executed bonding, insurance documents, immigration status verification and that the Mayor be authorized to sign the contract with the contractor.

It is recommended that the bid for the Airport Road Sewer Replacement Project be awarded to Precision Pipeline for the amount of \$671,430.10.

**Airport Road Sewer Replacement Project 2014
Bid Summary**

Schedule #1 - Open Cut Trench

Engineers Estimate **\$688,348.00**

Contractor		Bid
John Orton Excavating		\$728,229.76

Schedule #2 - Pipe Burst

Engineers Estimate **\$761,958.00**

Contractor		Bid
Precision Pipeline		\$671,430.10
Whitaker Construction		\$1,199,582.00
Allied Const. & Dev.		\$1,181,036.30

APPARENT LOW BID: PRECISION PIPELINE

CEDAR CITY COUNCIL
AGENDA ITEM 9

DECISION PAPER

TO: Mayor and City Council

FROM: Russ Volk

DATE: May 21, 2014

SUBJECT: Consider Grant Modification for Runway 8/26 Rehabilitation Project

RECOMMENDATION: Recommend acceptance of Grant Modification #1.

DISCUSSION: A public request for bids was conducted for Runway 8/26 Rehabilitation Project. This project is funded by a Utah Division of Transportation Grant.

The public bid opening was conducted at 2 PM on May 6th. The results of the bid opening determined the project exceeded the original grant by \$9820.00

The Utah Department of Transportation has approved a grant increase of \$9000 which results in an additional \$1000 of sponsor match.

Request the City Council consider this Grant Modification request and allow the Mayor to sign the Modification.

UTAH DEPARTMENT OF TRANSPORTATION
AERONAUTICAL OPERATIONS DIVISION

GRANT AGREEMENT MODIFICATION

Contract No. F#149647
Modification No. 1

1. Contracting Parties: The Grant Agreement Modification is between the Utah Department of Transportation, Aeronautical Operations Division, referred to as the state and Cedar City Corp., referred to as the sponsor.
2. Modification: The Grant Agreement to provide State Aid for Airport Development is modified as follows: To increase the state portion of the authorized limit to \$369,000 from the original grant of \$360,000. The additional state funds are needed to meet the final project bid amount. The sponsor match is also increased to \$41,000 from the original match of \$40,000.
3. Contract Period: This modification shall be in effect until terminated by the Aeronautical Operations Division.
4. All other terms and conditions in the original Grant Agreement shall remain in effect and, as referenced, made part of this modification.

In witness whereof, the parties sign and cause this modification to be executed this
_____ (date)

Sponsor:

By: _____

Title _____

Division of Aeronautical Operations:

Finance

Director

UDOT Legal Counsel

**CEDAR CITY COUNCIL
AGENDA ITEM 10**

DECISION PAPER

TO: Mayor and City Council

FROM: Russ Volk

DATE: May 21, 2014

SUBJECT: Consider Award of Contract for construction of SyberJet Taxilane Project

RECOMMENDATION: Airport Consultant is recommending award of contract for construction project to Schmidt Construction

DISCUSSION: A public request for bids was conducted for construction of the South (SyberJet) Taxilane. This Taxilane will connect the airport Taxiway D to the SyberJet Customer Delivery Hangar on Aviation Way. This project is funded by the U.S. Economic Development Agency, the State of Utah, and MSC Aerospace.

The public bid opening was conducted at 2 PM on May 6th. The results of the bid opening determined Schmidt Construction was the lowest bidder.

Bids were verified by Creamer & Noble Engineers and they are recommending the Award of the Contract to Schmidt Construction. The value of the contract is \$568,380.00.

Request the City Council consider this Award of Contract request and allow the Mayor to sign the both the Contract and Notice of Award documents.

EDA PROJECT #05-79-05480

CONTRACT

THIS CONTRACT made this _____ day of _____, 2014, by and between Cedar City Corporation, hereinafter called Owner and Schmidt Construction, Inc., hereinafter called the Contractor.

WITNESSETH: That the Owner and the Contractor, for the consideration herein stated, agree as follows:

ARTICLE I - SCOPE OF WORK. The Contractor shall perform everything required to be performed, shall provide and furnish all labor, tools and equipment, and shall furnish and deliver all materials not specifically stated as being furnished by the Owner, to complete all the work necessary to construct the South Taxilane at the Cedar City Regional Airport, required to complete EDA Project #05-79-05480, Bid dated May 6, 2014, in Cedar City, State of Utah in the best and most workmanlike manner, and in strict conformity with the provisions of this contract, the proposal and the plans and specifications. The plans and specifications and the proposal are hereby made a part of the contract as fully and to the same effect as if the same had been set forth at length in the body of this contract.

It is agreed that the status of the Contractor under this contract is that of Independent Contractor rather than that of an Employee of the Owner. Accordingly, the Contractor, in performance of his obligations hereunder, is independent and free from control of the Owner in all that pertains to the execution of the work and shall perform the work according to the Contractor's own methods without being subject to the rule, control or direction of the Owner or its representatives, save and except as to the results obtained. The finished work and the materials furnished must, however, conform strictly to this contract, the proposal, and the plans and specifications aforesaid, and are subject to the final approval of the Owner and its authorized representatives, who may exert such direction and control thereof as may be necessary to achieve that conformity. All provisions in the specifications with respect to the direction and control of the work shall be construed so as to make effective this provision.

ARTICLE II - CONTRACT PRICE. The Owner shall pay the Contractor, as full consideration for the performance of this contract, the contract bid price per item as shown in the proposal, for the quantities of work actually performed and accepted.

The contract amount is:

Five Hundred Sixty-Eight Thousand Three Hundred Eighty and No/100 Dollars (\$568,380.00)

EDA PROJECT #05-79-05480

CONTRACT (cont'd)

ARTICLE III - PREREQUISITE TO PARTIAL PAYMENTS. If required by the Owner, any request or application by Contractor, for a partial payment shall be accompanied and supported by data establishing payment or satisfaction of all Contractor obligations for payroll, bills for materials and equipment, and other indebtedness, with such data establishment to be evidenced by receipts, releases and waivers of lien, arising out of the contract, to the extent and in such form as may be designated as acceptable and satisfactory by the Owner. The Owner may require such data, including but not limited to, an executed, completed lien waiver and release from all subcontractors lower-tier subcontractors and suppliers. The submission of these items, if requested by the Owner with the Contractor's application or request for a partial payment shall constitute a condition precedent to the Contractor's right to any such partial payment, and any particular application or request for partial payment submitted without these items, if so requested by the Owner, shall be deemed incomplete.

ARTICLE IV - FINAL PAYMENT. Final payment, constituting the entire unpaid balance of the contract sum, shall be paid by the Owner to the Contractor when the work has been completed, the contract fully performed, and a final certificate for payment has been issued by the city's Engineer. Neither the final payment nor the remaining retainage shall become due until the Contractor submits to the City through the city's Engineer and Purchasing Agent of the city, (1) an affidavit that all payrolls, bills for materials and equipment, and other indebtedness connected with the work for which the Owner might in any way be responsible, have been paid or otherwise satisfied, (2) consent of surety to final payment, and (3) if required by the Owner, other data establishing payment or satisfaction of all such obligations, such as receipts, releases and waivers of liens arising out of the contract, to the extent and in such form as may be designated by the Owner.

If after substantial completion of the work, final completion thereof is materially delayed through no fault of the Contractor or by the issuance of change orders affecting final completion, and the city's Engineer so confirms, the Owner shall, upon application by the Contractor and certification by the city's Engineer and without terminating the contract, make payment of the balance due for that portion of the work fully completed and accepted. If the remaining balance for work not fully completed or corrected is less than the retainage stipulated in the contract documents, and if bonds have been furnished, the written consent of the Surety of the payment of the balance due for that portion of the work fully completed and accepted shall be submitted by the Contractor to the city's Engineer prior to certification of such payment. Such payment shall be made under the terms and conditions governing payments as heretofore set forth, except that it shall not constitute a waiver of claims.

The making of final payment shall constitute a waiver of all claims by the Owner except those arising from: (1) unsettled liens; (2) faulty or defective work; (3) failure of the work to comply with the requirements of the contract documents; or (4) terms of any special warranties required by the contract documents.

The acceptance of final payment shall constitute a waiver of all claims by the Contractor except those previously made in writing and identified by the Contractor as unsettled at the time of the final application for payment.

EDA PROJECT #05-79-05480

CONTRACT (cont'd)

All provisions of this contract, including without limitation those establishing obligations and procedures, shall remain in full force and effect notwithstanding the making or acceptance of final payment.

ARTICLE V - CONTRACT BINDING. The Contract, with all its forms, plans, specifications and stipulations, shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties.

ARTICLE VI - ATTORNEY'S FEES. In the event that either party institutes any action of proceeding against the other relating to the breach of any term of this contract, then the unsuccessful party in such action or proceeding agrees to reimburse the successful party for the reasonable expense of such action including reasonable attorney fees, incurred therein by the successful party.

ARTICLE VII - NON-DISCRIMINATION. The contractor, sub-recipient, or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in termination of this contract or such other remedy as the Owner deems appropriate.

ARTICLE VIII - INDEMNIFICATION AND HOLD HARMLESS. To the fullest extent permitted by law, Contractor shall indemnify and hold harmless City and its agents and employees from and against all claims, damages, losses and expenses including but not limited to attorney's fees arising out of or resulting from the performance of the work, provided that any such claim, damage, loss or expense (a) is attributed to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the /study itself) including the loss of use resulting therefrom and (b) is caused in whole or in part by any negligent act or omission of Contractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether or not is caused in part by a party indemnified hereunder.

In any and all claims against the City or any of its agents or employees by any employee of the Contractor anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation shall not be payable by or for Contractor under worker's or workmen's compensation acts, disability benefits acts or other employee benefit acts.

ARTICLE IX - ELECTRONIC VERIFICATION OF EMPLOYEE IMMIGRATION STATUS. Pursuant to the provisions of Utah Code Annotated, Title 63G, Chapter 12, CONTRACTOR shall register and participate in the Status Verification System in order to enter into this contract. The Contractor shall document and verify the citizenship or immigration status of each new employee. The Contractor shall use one of the electronic verification systems defined in UCA Title 63G, Chapter 12. In all contracts with subcontractors, at any level, the Contractor shall require each subcontractor, at any level, to use an electronic verification system, as defined in UCA Title 63G, Chapter 12, to verify the citizenship or immigration status of all employees. All subcontractors at any level shall be required to certify to the Contractor, by affidavit, that the subcontractor has verified through an electronic verification system the employment status of each new employee.

EDA PROJECT #05-79-05480

CONTRACT (cont'd)

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in triplicate on the respective dates indicated below:

Dated this _____ day of _____, 2014

Maile L. Wilson, MAYOR
Cedar City Corporation

[SEAL]

ATTEST:

Renon Savage, CITY RECORDER

STATE OF UTAH)
 : Ss.
COUNTY OF IRON)

This is to certify that on the _____ day of _____, 20____, before me, the undersigned, a Notary Public, in and for the State of Utah, duly commissioned and sworn as such, personally appeared Maile L. Wilson, known to me to be the Mayor of Cedar City Corporation, and Renon Savage known to me to be the City Recorder of Cedar City Corporation, and acknowledged to me that she the said Maile L. Wilson and she the said Renon Savage executed the foregoing instrument as a free and voluntary act and deed of said corporation, for the uses and purposes therein, and on oath state that they were authorized to execute said instrument, and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

NOTARY PUBLIC

EDA PROJECT #05-79-05480

CONTRACT (cont'd)

Dated this ____ day of _____, 2014

**Jessica E. Schmidt, President
Schmidt Construction, Inc.
Contractor**

[SEAL]

ATTEST: If Corporation

Witness: if Individual or Partnership

STATE OF UTAH)
 : Ss.
COUNTY OF _____)

This is to certify that on the ____ day of _____, 2014, before me, the undersigned, a Notary Public, in and for the State of Utah, duly commissioned and sworn as such, personally appeared _____, known to me to be the _____

of _____, and acknowledged to me that he/she the said _____ executed the foregoing instrument as a free and voluntary act and deed of said company, for the uses and purposes therein, and on oath state that they were authorized to execute said instrument, and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

_____, NOTARY PUBLIC

EDA PROJECT #05-79-05480

NOTICE OF AWARD

TO: Schmidt Construction, Inc.
P.O. Box 3217
Cedar City, UT 84721-3217

PROJECT: Cedar City Regional Airport,
Airport, EDA Project #05-79-05480 South
Taxilane

The OWNER has considered the BID submitted by you, dated May 6, 2014, for the above-described WORK in response to its Advertisement for Bids and Information for Bidders.

You are hereby notified that your BID has been accepted for items in the amount of \$568,380.00.

You are required by the Information for Bidders to execute the Contract and furnish the required Contractor's Performance BOND, Payment BOND, and certificates of insurance within fifteen (15) calendar days from the date of this Notice to you.

If you fail to execute said Contract and to furnish said BONDS within fifteen (15) days from the date of this Notice, said OWNER will be entitled to consider all your rights arising out of the OWNER'S acceptance of your BID as abandoned and as a forfeiture of your BID BOND. The OWNER will be entitled to such other rights as may be granted by law.

You are required to return 4 acknowledged copies of this NOTICE OF AWARD to the ENGINEER.

Dated this _____ day of _____, 2014.

Cedar City Corporation
Owner

By: Maile L. Wilson

Title: Mayor

ACCEPTANCE OF NOTICE

Receipt of the above NOTICE OF AWARD is hereby acknowledged

by: Schmidt Construction, Inc. this the _____ day of _____, 2014.

By: _____
Jessica E. Schmidt

Title: President

BID TABULATION
CEDAR CITY REGIONAL AIRPORT - EDA PROJECT #05-79-05480

Bid Date: Tuesday, May 6, 2014; 10:00 a.m.

No.	Item No.	Item Description	Unit	Bid Quantity	ENGINEER'S ESTIMATE		Schmidt Construction		Mel Clark, Inc.
1	P-920	Mobilization/Demobilization	LS	1	\$65,920.00	\$65,920.00	\$37,000.00	\$37,000.00	\$63,000.00
2	P-921	Prairie Dog Fence	LF	1,500	\$3.00	\$4,500.00	\$5.00	\$7,500.00	\$3.00
3	P-101	Saw Cutting	LF	180	\$2.00	\$360.00	\$1.00	\$180.00	\$3.00
4	P-151	Clearing and Grubbing	AC	3	\$2,500.00	\$7,500.00	\$1,500.00	\$4,500.00	\$5,335.00
5	P-152	Unclassified Excavation	CY	4,700	\$10.00	\$47,000.00	\$5.00	\$23,500.00	\$3.45
6	P-152	Over Excavation, 3 Ft. Deep	CY	6,800	\$5.00	\$34,000.00	\$5.00	\$34,000.00	\$3.75
7	P-152	Borrow	CY	7,800	\$9.00	\$70,200.00	\$8.00	\$62,400.00	\$19.00
8	P-154	Subbase Course	CY	1,350	\$30.00	\$40,500.00	\$15.00	\$20,250.00	\$28.65
9	P-209	Crushed Aggregate Base Course	CY	1,200	\$35.00	\$42,000.00	\$15.00	\$18,000.00	\$34.00
10	P-401	Bituminous Surface Course	TON	1,150	\$100.00	\$115,000.00	\$95.00	\$109,250.00	\$95.00
11	P-602	Bituminous Prime Coat	TON	5	\$1,000.00	\$5,000.00	\$1,200.00	\$6,000.00	\$1,210.00
12	P-603	Bituminous Tack Coat	TON	2	\$1,000.00	\$2,000.00	\$900.00	\$1,800.00	\$875.00
13	P-620	Taxilane Painting	SF	360	\$2.00	\$720.00	\$5.00	\$1,800.00	\$7.50
14	D-701	24" RCP Storm Drain Pipe, Class V	LF	40	\$80.00	\$3,200.00	\$70.00	\$2,800.00	\$70.00
15	D-752	Inlet Structure to Box Culvert	EA	1	\$15,000.00	\$15,000.00	\$6,000.00	\$6,000.00	\$25,000.00
16	D-752	Outlet Structure to Box Culvert	EA	1	\$15,000.00	\$15,000.00	\$6,000.00	\$6,000.00	\$25,000.00
17	D-752	Box Culvert, 40'x7', 2Cell	LF	80	\$3,000.00	\$240,000.00	\$2,300.00	\$184,000.00	\$2,400.00
18	D-953	Loose Riprap	SF	800	\$4.50	\$3,600.00	\$10.00	\$8,000.00	\$4.00
19	L108	#6 5 KV Cable	LF	400	\$2.00	\$800.00	\$4.00	\$1,600.00	\$9.50
20	L-110	2" PVC Conduit	LF	280	\$5.00	\$1,400.00	\$5.00	\$1,400.00	\$10.50
21	L-110	2" 2-Way Concrete Encased Duct	LF	70	\$40.00	\$2,800.00	\$40.00	\$2,800.00	\$46.00
22	L-931	L-861T Taxiway Light w/L-867 Base	EA	1	\$850.00	\$850.00	\$1,500.00	\$1,500.00	\$2,210.00
23	L-931	Relocate Existing Light on New Base	EA	3	\$450.00	\$1,350.00	\$1,700.00	\$5,100.00	\$2,100.00
24	L-931	Taxilane Sign	EA	2	\$800.00	\$1,600.00	\$3,500.00	\$7,000.00	\$4,300.00
25	L-931	Retroreflective Marker	EA	20	\$200.00	\$4,000.00	\$200.00	\$4,000.00	\$225.00
26	F-162	80' Double Cantilever Slide Gate	EA	1	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,500.00
TOTAL CONSTRUCTION COST					\$736,300.00		\$568,380.00		\$765,257.50

BID TABULATION
CEDAR CITY REGIONAL AIRPORT - EDA PROJECT #05-79-05480

Bid Date: Tuesday, May 6, 2014; 10:00 a.m.

No.	Item No.	Item Description	Unit	Bid Quantity	ENGINEER'S ESTIMATE			Interstate Rock Products				
					Unit Price	Amount		Unit Price	Amount		Unit Price	Amount
1	P-920	Mobilization/Demobilization	LS	1	\$65,920.00	\$65,920.00		\$89,140.00	\$ 89,140.00		\$0.00	\$ -
2	P-921	Prairie Dog Fence	LF	1,500	\$3.00	\$4,500.00		\$4.00	\$ 6,000.00		\$0.00	\$ -
3	P-101	Saw Cutting	LF	180	\$2.00	\$360.00		\$1.10	\$ 198.00		\$0.00	\$ -
4	P-151	Clearing and Grubbing	AC	3	\$2,500.00	\$7,500.00		\$5,105.00	\$ 15,315.00		\$0.00	\$ -
5	P-152	Unclassified Excavation	CY	4,700	\$10.00	\$47,000.00		\$7.10	\$ 33,370.00		\$0.00	\$ -
6	P-152	Over Excavation, 3 Ft. Deep	CY	6,800	\$5.00	\$34,000.00		\$6.00	\$ 40,800.00		\$0.00	\$ -
7	P-152	Borrow	CY	7,800	\$9.00	\$70,200.00		\$26.00	\$ 202,800.00		\$0.00	\$ -
8	P-154	Subbase Course	CY	1,350	\$30.00	\$40,500.00		\$29.10	\$ 39,285.00		\$0.00	\$ -
9	P-209	Crushed Aggregate Base Course	CY	1,200	\$35.00	\$42,000.00		\$36.25	\$ 43,500.00		\$0.00	\$ -
10	P-401	Bituminous Surface Course	TON	1,150	\$100.00	\$115,000.00		\$99.45	\$ 114,367.50		\$0.00	\$ -
11	P-602	Bituminous Prime Coat	TON	5	\$1,000.00	\$5,000.00		\$1,165.00	\$ 5,825.00		\$0.00	\$ -
12	P-603	Bituminous Tack Coat	TON	2	\$1,000.00	\$2,000.00		\$903.00	\$ 1,806.00		\$0.00	\$ -
13	P-620	Taxilane Painting	SF	360	\$2.00	\$720.00		\$9.30	\$ 3,348.00		\$0.00	\$ -
14	D-701	24" RCP Storm Drain Pipe, Class V	LF	40	\$80.00	\$3,200.00		\$48.30	\$ 1,932.00		\$0.00	\$ -
15	D-752	Inlet Structure to Box Culvert	EA	1	\$15,000.00	\$15,000.00		\$22,660.00	\$ 22,660.00		\$0.00	\$ -
16	D-752	Outlet Structure to Box Culvert	EA	1	\$15,000.00	\$15,000.00		\$22,660.00	\$ 22,660.00		\$0.00	\$ -
17	D-752	Box Culvert, 40'x7', 2Cell	LF	80	\$3,000.00	\$240,000.00		\$2,623.00	\$ 209,840.00		\$0.00	\$ -
18	D-953	Loose Riprap	SF	800	\$4.50	\$3,600.00		\$6.25	\$ 5,000.00		\$0.00	\$ -
19	L-108	#6 5 KV Cable	LF	400	\$2.00	\$800.00		\$3.05	\$ 1,220.00		\$0.00	\$ -
20	L-110	2" PVC Conduit	LF	280	\$5.00	\$1,400.00		\$10.25	\$ 2,870.00		\$0.00	\$ -
21	L-110	2" 2-Way Concrete Encased Duct	LF	70	\$40.00	\$2,800.00		\$40.85	\$ 2,859.50		\$0.00	\$ -
22	L-931	L-861T Taxiway Light w/L-867 Base	EA	1	\$850.00	\$850.00		\$2,744.00	\$ 2,744.00		\$0.00	\$ -
23	L-931	Relocate Existing Light on New Base	EA	3	\$450.00	\$1,350.00		\$2,387.00	\$ 7,161.00		\$0.00	\$ -
24	L-931	Taxilane Sign	EA	2	\$800.00	\$1,600.00		\$973.00	\$ 1,946.00		\$0.00	\$ -
25	L-931	Retroreflective Marker	EA	20	\$200.00	\$4,000.00		\$210.00	\$ 4,200.00		\$0.00	\$ -
26	F-162	80' Double Cantilever Slide Gate	EA	1	\$12,000.00	\$12,000.00		\$7,535.00	\$ 7,535.00		\$0.00	\$ -
					TOTAL CONSTRUCTION COST				\$888,382.00			\$0.00

**CEDAR CITY COUNCIL
AGENDA ITEM { }**

DECISION PAPER

TO: Mayor and City Council

FROM: Russ Volk

DATE: May 21, 2014

SUBJECT: Consider Award of Contract for construction of Airport Helipad Replacement and Runway 8/26 Rehabilitation Projects

RECOMMENDATION: Airport Consultant is recommending award of contract for construction project to Schmidt Construction

DISCUSSION: A public request for bids was conducted for construction of Airport Helipad Replacement and Runway 8/26 Rehabilitation Projects. These projects are funded by a FAA Airport Improvement Grant and a Utah Division of Transportation Grant.

The public bid opening was conducted at 2 PM on May 6th. The results of the bid opening determined Schmidt Construction was the lowest bidder.

Bids were verified by Creamer & Noble Engineers and they are recommending the Award of the Contract to Schmidt Construction. The value of the contract is \$1,037,665.00.

Request the City Council consider this Award of Contract request and allow the Mayor to sign the both the Contract and Notice of Award documents.

A.I.P. 3-49-0005-28

UDOT PROJECT #149647

CONTRACT

THIS CONTRACT made this _____ day of _____, 2014, by and between Cedar City Corporation, hereinafter called Owner and Schmidt Construction, Inc., hereinafter called the Contractor.

WITNESSETH: That the Owner and the Contractor, for the consideration herein stated, agree as follows:

ARTICLE I - SCOPE OF WORK. The Contractor shall perform everything required to be performed, shall provide and furnish all labor, tools and equipment, and shall furnish and deliver all materials not specifically stated as being furnished by the Owner, to complete all the work necessary to construct the helipad, rehabilitate Runway 8-26, relocate wind cone and segmented circle and install a backup generator system at the Cedar City Regional Airport, required to complete A.I.P. 3-49-0005-28 and UDOT Project #149647, Schedules A and B, Bid dated May 6, 2014, in Cedar City, State of Utah in the best and most workmanlike manner, and in strict conformity with the provisions of this contract, the proposal and the plans and specifications. The plans and specifications and the proposal are hereby made a part of the contract as fully and to the same effect as if the same had been set forth at length in the body of this contract.

It is agreed that the status of the Contractor under this contract is that of Independent Contractor rather than that of an Employee of the Owner. Accordingly, the Contractor, in performance of his obligations hereunder, is independent and free from control of the Owner in all that pertains to the execution of the work and shall perform the work according to the Contractor's own methods without being subject to the rule, control or direction of the Owner or its representatives, save and except as to the results obtained. The finished work and the materials furnished must, however, conform strictly to this contract, the proposal, and the plans and specifications aforesaid, and are subject to the final approval of the Owner and its authorized representatives, who may exert such direction and control thereof as may be necessary to achieve that conformity. All provisions in the specifications with respect to the direction and control of the work shall be construed so as to make effective this provision.

ARTICLE II - CONTRACT PRICE. The Owner shall pay the Contractor, as full consideration for the performance of this contract, the contract bid price per item as shown in the proposal, for the quantities of work actually performed and accepted.

The contract amount is:

One Million Thirty Seven Thousand Six Hundred Sixty-Five and No/100 Dollars
(\$1,037,665.00)

**A.I.P. 3-49-0005-28
UDOT PROJECT #149647**

CONTRACT (cont'd)

ARTICLE III - PREREQUISITE TO PARTIAL PAYMENTS. If required by the Owner, any request or application by Contractor, for a partial payment shall be accompanied and supported by data establishing payment or satisfaction of all Contractor obligations for payroll, bills for materials and equipment, and other indebtedness, with such data establishment to be evidenced by receipts, releases and waivers of lien, arising out of the contract, to the extent and in such form as may be designated as acceptable and satisfactory by the Owner. The Owner may require such data, including but not limited to, an executed, completed lien waiver and release from all subcontractors lower-tier subcontractors and suppliers. The submission of these items, if requested by the Owner with the Contractor's application or request for a partial payment shall constitute a condition precedent to the Contractor's right to any such partial payment, and any particular application or request for partial payment submitted without these items, if so requested by the Owner, shall be deemed incomplete.

ARTICLE IV - FINAL PAYMENT. Final payment, constituting the entire unpaid balance of the contract sum, shall be paid by the Owner to the Contractor when the work has been completed, the contract fully performed, and a final certificate for payment has been issued by the city's Engineer. Neither the final payment nor the remaining retainage shall become due until the Contractor submits to the City through the city's Engineer and Purchasing Agent of the city, (1) an affidavit that all payrolls, bills for materials and equipment, and other indebtedness connected with the work for which the Owner might in any way be responsible, have been paid or otherwise satisfied, (2) consent of surety to final payment, and (3) if required by the Owner, other data establishing payment or satisfaction of all such obligations, such as receipts, releases and waivers of liens arising out of the contract, to the extent and in such form as may be designated by the Owner.

If after substantial completion of the work, final completion thereof is materially delayed through no fault of the Contractor or by the issuance of change orders affecting final completion, and the city's Engineer so confirms, the Owner shall, upon application by the Contractor and certification by the city's Engineer and without terminating the contract, make payment of the balance due for that portion of the work fully completed and accepted. If the remaining balance for work not fully completed or corrected is less than the retainage stipulated in the contract documents, and if bonds have been furnished, the written consent of the Surety of the payment of the balance due for that portion of the work fully completed and accepted shall be submitted by the Contractor to the city's Engineer prior to certification of such payment. Such payment shall be made under the terms and conditions governing payments as heretofore set forth, except that it shall not constitute a waiver of claims.

The making of final payment shall constitute a waiver of all claims by the Owner except those arising from: (1) unsettled liens; (2) faulty or defective work; (3) failure of the work to comply with the requirements of the contract documents; or (4) terms of any special warranties required by the contract documents.

A.I.P. 3-49-0005-28
UDOT PROJECT #149647

CONTRACT (cont'd)

The acceptance of final payment shall constitute a waiver of all claims by the Contractor except those previously made in writing and identified by the Contractor as unsettled at the time of the final application for payment.

All provisions of this contract, including without limitation those establishing obligations and procedures, shall remain in full force and effect notwithstanding the making or acceptance of final payment.

ARTICLE V - CONTRACT BINDING. The Contract, with all its forms, plans, specifications and stipulations, shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties.

ARTICLE VI - ATTORNEY'S FEES. In the event that either party institutes any action of proceeding against the other relating to the breach of any term of this contract, then the unsuccessful party in such action or proceeding agrees to reimburse the successful party for the reasonable expense of such action including reasonable attorney fees, incurred therein by the successful party.

ARTICLE VII - NON-DISCRIMINATION. The contractor, sub-recipient, or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in termination of this contract or such other remedy as the Owner deems appropriate.

A.I.P. 3-49-0005-28
UDOT PROJECT #149647

CONTRACT (cont'd)

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in triplicate on the respective dates indicated below:

Dated this _____ day of _____, 2014

Maile L. Wilson, MAYOR
Cedar City Corporation

[SEAL]

ATTEST:

Renon Savage, CITY RECORDER

STATE OF UTAH)
 : Ss.
COUNTY OF IRON)

This is to certify that on the _____ day of _____, 20____, before me, the undersigned, a Notary Public, in and for the State of Utah, duly commissioned and sworn as such, personally appeared Maile L. Wilson, known to me to be the Mayor of Cedar City Corporation, and Renon Savage known to me to be the City Recorder of Cedar City Corporation, and acknowledged to me that she the said Maile L. Wilson and she the said Renon Savage executed the foregoing instrument as a free and voluntary act and deed of said corporation, for the uses and purposes therein, and on oath state that they were authorized to execute said instrument, and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

NOTARY PUBLIC

A.I.P. 3-49-0005-28
UDOT PROJECT #149647

CONTRACT (cont'd)

Dated this ____ day of _____, 2014

Jessica E. Schmidt, President
Schmidt Construction, Inc.
Contractor

[SEAL]

ATTEST: If Corporation

Witness: if Individual or Partnership

STATE OF UTAH)
 : Ss.
COUNTY OF _____)

This is to certify that on the ____ day of _____, 2014, before me, the undersigned, a Notary Public, in and for the State of Utah, duly commissioned and sworn as such, personally appeared _____, known to me to be the _____

of _____, and acknowledged to me that he/she the said _____ executed the foregoing instrument as a free and voluntary act and deed of said company, for the uses and purposes therein, and on oath state that they were authorized to execute said instrument, and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

_____, NOTARY PUBLIC

**A.I.P. 3-49-0005-28
UDOT PROJECT #149647**

NOTICE OF AWARD

TO: Schmidt Construction, Inc.
P.O. Box 3217
Cedar City, UT 84721-3217

PROJECT: Cedar City Regional Airport,
A.I.P. 3-49-0005-28, UDOT Project #149647;
Schedules A and B; Helipad Construction,
Rehabilitation of R/W 8-26, Relocation of
Wind Cone and Segmented Circle, Installation
of a Backup Generator

The OWNER has considered the BID submitted by you, dated May 6, 2014, for the above-described WORK in response to its Advertisement for Bids and Information for Bidders.

You are hereby notified that your BID has been accepted for items in the amount of \$1,037,665.00.

You are required by the Information for Bidders to execute the Contract and furnish the required Contractor's Performance BOND, Payment BOND, and certificates of insurance within fifteen (15) calendar days from the date of this Notice to you.

If you fail to execute said Contract and to furnish said BONDS within fifteen (15) days from the date of this Notice, said OWNER will be entitled to consider all your rights arising out of the OWNER'S acceptance of your BID as abandoned and as a forfeiture of your BID BOND. The OWNER will be entitled to such other rights as may be granted by law.

You are required to return 4 acknowledged copies of this NOTICE OF AWARD to the ENGINEER.

Dated this _____ day of _____, 2014.

Cedar City Corporation
Owner

By: Maile L. Wilson

Title: Mayor

ACCEPTANCE OF NOTICE

Receipt of the above NOTICE OF AWARD is hereby acknowledged

by: Schmidt Construction, Inc. this the _____ day of _____, 2014.

By: _____
Jessica E. Schmidt

Title: President

BID TABULATION
CEDAR CITY REGIONAL AIRPORT
A.I.P. 3-49-0005-28
UDOT PROJECT #149647

Bid Date: Tuesday, May 6, 2014; 10:00 a.m.

SCHEDULE A

No.	Item No.	Item Description	Unit	Bid Qty	ENGINEER'S ESTIMATE		Schmidt Construction		Staker Parson Companies	
A1	P-920	MOBILIZATION/DEMOLITION	LS	1	\$ 81,390.00	\$ 81,390.00	\$65,000.00	\$ 65,000.00	\$66,300.00	66300
A2	P-921	PAIRIE DOG FENCE	LF	1,500	\$ 3.00	\$ 4,500.00	\$5.00	\$ 7,500.00	\$2.50	3750
A3	P-101	SAW CUTTING	LF	150	\$ 2.00	\$ 300.00	\$1.00	\$ 150.00	\$0.55	82.5
A4	P-151	CLEARING & GRUBBING	AC	8.5	\$ 2,500.00	\$ 21,250.00	\$1,500.00	\$ 12,750.00	\$2,350.00	19975
A5	P-923	REMOVE EXISTING ASPHALT - 3 INCHES	SY	11,300	\$ 3.00	\$ 33,900.00	\$1.00	\$ 11,300.00	\$3.75	42375
A6	P-152	UNCLASSIFIED EXCAVATION	CY	1,700	\$ 10.00	\$ 17,000.00	\$8.00	\$ 13,600.00	\$4.00	6800
A7	P-154	SUBBASE COURSE	CY	3,700	\$ 30.00	\$ 111,000.00	\$9.00	\$ 33,300.00	\$26.50	98050
A8	P-209	CRUSHED AGGREGATE BASE COURSE	CY	3,200	\$ 35.00	\$ 112,000.00	\$15.00	\$ 48,000.00	\$32.45	103840
A9	P-401	BITUMINOUS SURFACE COURSE	TON	4,400	\$ 100.00	\$ 440,000.00	\$95.00	\$ 418,000.00	\$77.45	340780
A10	P-602	BITUMINOUS PRIME COAT	TON	20	\$ 1,000.00	\$ 20,000.00	\$1,300.00	\$ 26,000.00	\$980.00	19600
A11	P-603	BITUMINOUS TACK COAT	TON	9	\$ 1,000.00	\$ 9,000.00	\$800.00	\$ 7,200.00	\$685.00	5265
A12	P-620	RUNWAY AND TAXIWAY PAINTING	SF	7,000	\$ 2.00	\$ 14,000.00	\$1.50	\$ 10,500.00	\$0.85	5950
A13	L-107	RELOCATE WIND CONE & SEGMENTED CIRCLE	LS	1	\$ 12,000.00	\$ 12,000.00	\$13,000.00	\$ 13,000.00	\$30,000.00	30000
A14	L-108	#6 5KV CABLE	LF	130	\$ 2.00	\$ 260.00	\$12.00	\$ 1,560.00	\$3.30	429
A15	L-108	#6 800 VOLT CABLE	LF	1,100	\$ 2.00	\$ 2,200.00	\$2.50	\$ 2,750.00	\$1.30	1430
A16	L-108	#10 GROUND WIRE	LF	550	\$ 2.00	\$ 1,100.00	\$3.00	\$ 1,650.00	\$0.40	220
A17	L-110	2-INCH PVC CONDUIT	LF	360	\$ 5.00	\$ 1,800.00	\$5.00	\$ 1,800.00	\$7.95	2862
A18	L-110	2-INCH 2-WAY CONCRETE ENCASED DUCT	LF	235	\$ 40.00	\$ 9,400.00	\$27.00	\$ 6,345.00	\$17.50	4112.5
A19	L-115	12-INCH PULL CAN	EA	3	\$ 300.00	\$ 900.00	\$20.00	\$ 60.00	\$5400.00	1200
A20	L-931	SALVAGE EXISTING TAXIWAY LIGHT	EA	1	\$ 420.00	\$ 420.00	\$200.00	\$ 200.00	\$210.00	210
A21	D-701	8" PVC PIPE, CONCRETE ENCASED	LF	70	\$ 40.00	\$ 2,800.00	\$39.00	\$ 2,730.00	\$53.00	3710
A22	D-752	SURFACE DITCH	LF	50	\$ 10.00	\$ 500.00	\$3.00	\$ 150.00	\$15.00	750
TOTAL CONSTRUCTION COST					\$895,720.00		\$683,545.00		\$757,691.00	

BID TABULATION
CEDAR CITY REGIONAL AIRPORT
A.I.P. 3-49-0005-28
UDOT PROJECT #149647

Bid Date: Tuesday, May 6, 2014; 10:00 a.m.

SCHEDULE B

Item No.	Item Description	Unit	Bid Qty	ENGINEER'S ESTIMATE		Schmidt Construction		Staker Parson Companies	
				Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
B1	P-920 MOBILIZATION/DEMOLITION	LS	1	\$33,650.00	\$ 33,650.00	\$38,000.00	\$ 38,000.00	\$35,700.00	\$ 35,700.00
B2	P-923 REMOVE EXISTING ASPHALT - 5.5 INCHES	SY	9,800	\$5.50	\$ 53,900.00	\$1.00	\$ 9,800.00	\$3.30	\$ 32,340.00
B3	P-101 SAW CUTTING	LF	1,200	\$2.00	\$ 2,400.00	\$1.00	\$ 1,200.00	\$0.55	\$ 660.00
B4	P-401 BITUMINOUS SURFACE COURSE	TON	2,350	\$85.00	\$ 199,750.00	\$95.00	\$ 223,250.00	\$7.90	\$ 183,065.00
B5	P-602 BITUMINOUS PRIME COAT	TON	10	\$1,000.00	\$ 10,000.00	\$1,300.00	\$ 13,000.00	\$980.00	\$ 9,800.00
B6	P-603 BITUMINOUS TACK COAT	TON	5	\$1,000.00	\$ 4,500.00	\$800.00	\$ 3,600.00	\$585.00	\$ 2,632.50
B7	P-620 RUNWAY AND TAXIWAY PAINTING	SF	1,200	\$2.00	\$ 2,400.00	\$1.50	\$ 1,800.00	\$0.85	\$ 1,020.00
B8	F-162 7-FOOT CHAIN LINK FENCE	LF	105	\$20.00	\$ 2,100.00	\$14.00	\$ 1,470.00	\$30.00	\$ 3,150.00
B9	F-162 10-FOOT DRIVEWAY GATE	EA	1	\$2,000.00	\$ 2,000.00	\$2,000.00	\$ 2,000.00	\$845.00	\$ 845.00
B10	L-109 Backup Generator System	LS	1		\$60,000.00		\$60,000.00	\$59,500.00	\$ 59,500.00
TOTAL CONSTRUCTION COST					\$310,700.00		\$354,120.00		\$328,712.50



GARY R. HERBERT
Governor

SPENCER COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

May 12, 2014

Mr. Rick Holman
Cedar City Corporation
Cedar City, Utah 84720

Dear Mr. Holman:

On behalf of the Department of Natural Resources, Endangered Species Mitigation Fund (ESMF) Recovery Programs Office, I am pleased to inform you that your proposal "Utah Prairie Dog Barrier at Cedar City Golf Course" was approved and will be funded not to exceed \$100,000.00 for state fiscal year 2014 which ends June 30, 2014. Enclosed are two copies of a contract for the proposed work signed by the Department of Natural Resources Executive Director. Please review the contract and the timetables for reporting and if you approve sign both copies and return them to our Recovery Programs Office. The Recovery Programs Office will route the contract through State Financing where it will be reviewed and assigned a contract number. Once this is completed, a copy will be returned to you. Payment under this contract will not be made until a contract number has been assigned by State Finance.

Please invoice our office regularly as you complete work or purchase materials and include sufficient detail on expenditures so that we can approve prompt reimbursement. If you foresee any problems in completing your work as outlined or need to make adjustments in schedules or funding, please contact us immediately to resolve the issue. If you have questions, please don't hesitate to contact Chris Keleher (801-538-5216) in our Recovery Programs Office.

Congratulations on your ESMF grant award and thank you for your efforts to conserve and promote the recovery of Utah's sensitive species.

Sincerely,

Michael R. Styler
Executive Director

MRS/ck/mb

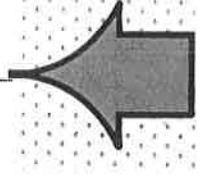
Please sign on the line below if you agree with the contract terms and conditions.

Michael R. Styler

Michael R. Styler
Executive Director
Department of Natural Resources

12 May 2014

Date



Maile Wilson
Mayor
Cedar City, Utah

Date

ADDENDUM

Purpose: The purpose of this addendum to the contract is to clearly identify the deadlines and deliverables for the project receiving funds from the Endangered Species Mitigation Fund. The project sponsor upon signing and executing the contract concurs with and agrees to meet the following deliverables and deadlines. Compensation incurred under this agreement shall be allowed up to, but not to exceed, One Hundred Thousand Dollars and Zero Cents (\$100,000.00). If for any reason, the deadline specified for deliverables can not be met, the project sponsor agrees to notify the Endangered Species Mitigation Fund program office at least thirty days in advance of the deadline.

Scope of Services to be Performed: Under the terms of this contract, the project sponsor will perform all tasks, render all services, and provide all materials and deliverables necessary and appropriate for constructing a barrier to prevent prairie dogs from entering the Cedar City Golf Course. The specific services performed are ^{as} described in the proposal named "Utah Prairie Dog Barrier at Cedar City Golf Course" (hereinafter the Project Proposal). Unless agreed in an amendment to this Contract duly executed by the parties hereto, the project sponsor is required to perform the services in accordance with the budget and schedule set forth in the Project Proposal and in all respects to the reasonable satisfaction of the Utah Department of Natural Resources.

Incorporation of the Project Proposal: The Project Proposal, titled "Utah Prairie Dog Barrier at Cedar City Golf Course" is hereby expressly incorporated into this Contract by this reference.

Project Title: Utah Prairie Dog Barrier at Cedar City Golf Course

Project Number: 1714

Project Sponsor: Cedar City Corp.

Project Deliverable(s) and Deadline(s):

1. Progress report and photographs summarizing the status and activities of constructing the barrier to prevent prairie dog migration onto the Cedar City Golf Course – due September 1, 2014.

ATTACHMENT A: STATE OF UTAH TERMS AND CONDITIONS
(Government Entity)

1. **AUTHORITY:** Provisions of this contract are pursuant to the authority set forth in 63G-6, Utah Code Annotated, 1953, as amended, Utah State Procurement Rules (Utah Administrative Code Section R33), and related statutes which permit the State to purchase certain specified services, and other approved purchases for the State.
2. **CONTRACT JURISDICTION, CHOICE OF LAW, AND VENUE:** The provisions of this contract shall be governed by the laws of the State of Utah. The parties will submit to the jurisdiction of the courts of the State of Utah for any dispute arising out of this Contract or the breach thereof. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake County.
3. **LAWS AND REGULATIONS:** The Contractor and any and all supplies, services, equipment, and construction furnished under this contract will comply fully with all applicable Federal and State laws and regulations.
4. **RECORDS ADMINISTRATION:** The Contractor shall maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the Contractor for costs authorized by this contract. These records shall be retained by the Contractor for at least four years after the contract terminates, or until all audits initiated within the four years, have been completed, whichever is later. The Contractor agrees to allow State and Federal auditors, and State Agency Staff, access to all the records to this contract, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.
5. **CERTIFY REGISTRATION AND USE OF EMPLOYMENT "STATUS VERIFICATION SYSTEM":** The Status Verification System, also referred to as "E-verify", only applies to contracts issued through a Request for Proposal process, and to sole sources that are included within a Request for Proposal. It does not apply to Invitation for Bids nor to the Multi-Step Process.

5.1 Status Verification System

1. Each offeror and each person signing on behalf of any offeror certifies as to its own entity, under penalty of perjury, that the named Contractor has registered and is participating in the Status Verification System to verify the work eligibility status of the contractor's new employees that are employed in the State of Utah in accordance with UCA Section 63G-11-103.
2. The Contractor shall require that the following provision be placed in each subcontract at every tier: "The subcontractor shall certify to the main (prime or general) contractor by affidavit that the subcontractor has verified through the Status Verification System the employment status of each new employee of the respective subcontractor, all in accordance with Section 63G-11-103 and to comply with all applicable employee status verification laws. Such affidavit must be provided prior to the notice to proceed for the subcontractor to perform the work."
3. The State will not consider a proposal for award, nor will it make any award where there has not been compliance with this Section.
4. Manually or electronically signing the Proposal is deemed the Contractor's certification of compliance with all provisions of this employment status verification certification required by all applicable status verification laws including UCA Section 63G-11-103.

5.2 Indemnity Clause for Status Verification System

1. Contractor (includes, but is not limited to any Contractor, Design Professional, Designer or Consultant) shall protect, indemnify and hold harmless, the State and its officers, employees, agents, representatives and anyone that the State may be liable for, against any claim, damages or liability arising out of or resulting from violations of the above Status Verification System Section whether violated by employees, agents, or contractors of the following: (a) Contractor; (b) Subcontractor at any tier; and/or (c) any entity or person for whom the Contractor or Subcontractor may be liable.
2. Notwithstanding Section 1. above, Design Professionals or Designers under direct contract with the State shall only be required to indemnify the State for a liability claim that arises out of the design professional's services, unless the liability claim arises from the Design Professional's negligent act, wrongful act, error or omission, or other liability imposed by law except that the design professional shall be required to indemnify the State in regard to subcontractors or subconsultants at any tier that are under the direct or indirect control or responsibility of the Design Professional, and includes all independent contractors, agents, employees or anyone else for whom the Design Professional may be liable at any tier.

6. **CONFLICT OF INTEREST:** Contractor represents that none of its officers or employees are officers or employees of the State of Utah, unless disclosure has been made in accordance with 67-16-8, Utah Code Annotated, 1953, as amended.
7. **CONTRACTOR, AN INDEPENDENT CONTRACTOR:** The Contractor shall be an independent contractor, and as such, shall have no authorization, express or implied, to bind the State to any agreements, settlements, liability, or understanding whatsoever, and agrees not to perform any acts as agent for the State, except as herein expressly set forth. Compensation stated herein shall be the total amount payable to the Contractor by the State. The Contractor shall be responsible for the payment of all income tax and social security amounts due as a result of payments received from the State for these contract services. Persons employed by the State and acting under the direction of the State shall not be deemed to be employees or agents of the Contractor.
8. **INDEMNITY CLAUSE:** Both Parties are governmental entities under the "Utah Governmental Immunities Act", Title 63G, Chapter 7, Utah Code annotated, 1953, as amended. Consistent with the terms of this Act, it is mutually agreed that each party is responsible and liable for its own wrongful or negligent acts committed by it or its agents, officials or employees. Neither party waives any defenses otherwise available under the Governmental Immunity Act.
9. **EMPLOYMENT PRACTICES CLAUSE:** The Contractor agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1964 (42USC 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Also, the Contractor agrees to abide by Utah's Executive Order, dated March 17, 1993, which prohibits sexual harassment in the work place.
10. **SEPARABILITY CLAUSE:** A declaration by any court, or any other binding legal source, that any provision of this contract is illegal and void shall not affect the legality and enforceability of any other provision of this contract, unless the provisions are mutually dependent.
11. **RENEGOTIATION OR MODIFICATIONS:** This contract may be amended, modified, or supplemented only by written amendment to the

contract, executed by authorized persons of the parties hereto, and attached to the original signed copy of the contract. Automatic renewals will not apply to this contract.

12. **DEBARMENT:** The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract), by any governmental department or agency. If the Contractor cannot certify this statement, attach a written explanation for review by the State. The Contractor must notify the State Director of Purchasing within 30 days if debarred by any governmental entity during the Contract period.
13. **TERMINATION:** Unless otherwise stated in the Special Terms and Conditions, this contract may be terminated, with cause by either party, in advance of the specified termination date, upon written notice being given by the other party. The party in violation will be given ten (10) working days after notification to correct and cease the violations, after which the contract may be terminated for cause. This contract may be terminated without cause, in advance of the specified expiration date, by either party, upon sixty (60) days prior written notice being given the other party. On termination of this contract, all accounts and payments will be processed according to the financial arrangements set forth herein for approved services rendered to date of termination.
14. **NONAPPROPRIATION OF FUNDS:** The Contractor acknowledges that the State cannot contract for the payment of funds not yet appropriated by the Utah State Legislature. If funding to the State is reduced due to an order by the Legislature or the Governor, or is required by State law, or if federal funding (when applicable) is not provided, the State may terminate this contract or proportionately reduce the services and purchase obligations and the amount due from the State upon 30 days written notice. In the case that funds are not appropriated or are reduced, the State will reimburse Contractor for products delivered or services performed through the date of cancellation or reduction, and the State will not be liable for any future commitments, penalties, or liquidated damages.
15. **SALES TAX EXEMPTION:** The State of Utah's sales and use tax exemption number is 11736850-010-STC. The tangible personal property or services being purchased are being paid from State funds and used in the exercise of that entity's essential functions. If the items being purchased are construction materials, they will be converted into real property by employees of this government entity, unless otherwise stated in the contract.
16. **WARRANTY:** The Contractor agrees to warrant and assume responsibility for all products (including hardware, firmware, and/or software products) that it licenses, contracts, or sells to the State of Utah under this contract for a period of one year, unless otherwise specified and mutually agreed upon elsewhere in this contract. The Contractor (seller) acknowledges that all warranties granted to the buyer by the Uniform Commercial Code of the State of Utah apply to this contract. Product liability disclaimers and/or warranty disclaimers from the seller are not applicable to this contract unless otherwise specified and mutually agreed upon elsewhere in this contract. In general, the Contractor warrants that: (1) the product will do what the salesperson said it would do, (2) the product will live up to all specific claims that the manufacturer makes in their advertisements, (3) the product will be suitable for the ordinary purposes for which such product is used, (4) the product will be suitable for any special purposes that the State has relied on the Contractor's skill or judgment to consider when it advised the State about the product, (5) the product has been properly designed and manufactured, and (6) the product is free of significant defects or unusual problems about which the State has not been warned. Remedies available to the State include the following: The Contractor will repair or replace (at no charge to the State) the product whose nonconformance is discovered and made known to the Contractor in writing. If the repaired and/or replaced product proves to be inadequate, or fails of its essential purpose, the Contractor will refund the full amount of any payments that have been made. Nothing in this warranty will be construed to limit any rights or remedies the State of Utah may otherwise have under this contract.
17. **PUBLIC INFORMATION:** Contractor agrees that the contract, related Sales Orders, and Invoices will be public documents, and may be available for distribution. Contractor gives the State express permission to make copies of the contract, related Sales Orders, and Invoices in accordance with the State of Utah Government Records Access and Management Act (GRAMA). Except for sections identified in writing and expressly approved by the State Division of Purchasing, Contractor also agrees that the Contractor's response to the solicitation will be a public document, and copies may be given to the public under GRAMA laws. The permission to make copies as noted will take precedence over any statements of confidentiality, proprietary information, copyright information, or similar notation.
18. **DELIVERY:** Unless otherwise specified in this contract, all deliveries will be F.O.B. destination with all transportation and handling charges paid by the Contractor. Responsibility and liability for loss or damage will remain with Contractor until final inspection and acceptance when responsibility will pass to the State except as to latent defects, fraud and Contractor's warranty obligations.
19. **ORDERING AND INVOICING:** All orders will be shipped promptly in accordance with the delivery schedule. The Contractor will promptly submit invoices (within 30 days of shipment or delivery of services) to the State. The State contract number and/or the agency purchase order number shall be listed on all invoices, freight tickets, and correspondence relating to the contract order. The prices paid by the State will be those prices listed in the contract. The State has the right to adjust or return any invoice reflecting incorrect pricing.
20. **PAYMENT:** Payments are normally made within 30 days following the date the order is delivered or the date a correct invoice is received, whichever is later. All payments to the Contractor will be remitted by mail unless paid by the State of Utah's Purchasing Card (major credit card) or through an Inter Agency Transfer (between government entities).
21. **PATENTS, COPYRIGHTS, ETC.:** The Contractor will release, indemnify and hold the State, its officers, agents and employees harmless from liability of any kind or nature, including the Contractor's use of any copyrighted or un-copyrighted composition, secret process, patented or un-patented invention, article or appliance furnished or used in the performance of this contract.
22. **ASSIGNMENT/SUBCONTRACT:** Contractor will not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this contract, in whole or in part, without the prior written approval of the State.
23. **DEFAULT AND REMEDIES:** Any of the following events will constitute cause for the State to declare Contractor in default of the contract:
1. Nonperformance of contractual requirements; 2. A material breach of any term or condition of this contract. The State will issue a written notice of default providing a ten (10) day period in which Contractor will have an opportunity to cure. Time allowed for cure will not diminish or eliminate Contractor's liability for damages. If the default remains, after Contractor has been provided the opportunity to cure, the State may

do one or more of the following: 1. Exercise any remedy provided by law; 2. Terminate this contract and any related contracts or portions thereof; 3. Impose liquidated damages, if liquidated damages are listed in the contract; 4. Suspend Contractor from receiving future solicitations.

24. **FORCE MAJEURE:** Neither party to this contract will be held responsible for delay or default caused by fire, riot, acts of God and/or war which is beyond that party's reasonable control. The State may terminate this contract after determining such delay or default will reasonably prevent successful performance of the contract.
25. **PROCUREMENT ETHICS:** The Contractor understands that a person who is interested in any way in the sale of any supplies, services, construction, or insurance to the State of Utah is violating the law if the person gives or offers to give any compensation, gratuity, contribution, loan or reward, or any promise thereof to any person acting as a procurement officer on behalf of the State, or who in any official capacity participates in the procurement of such supplies, services, construction, or insurance, whether it is given for their own use or for the use or benefit of any other person or organization (63G-6-1002, Utah Code Annotated, 1953, as amended).
26. **CONFLICT OF TERMS:** Contractor Terms and Conditions that apply must be in writing and attached to the contract. No other Terms and Conditions will apply to this contract including terms listed or referenced on a Contractor's website, terms listed in a Contractor quotation/sales order, etc. In the event of any conflict in the contract terms and conditions, the order of precedence shall be: 1. Atth. A: State of Utah Standard Terms and Conditions; 2. State of Utah Contract Signature Page(s); 3. State Additional Terms and Conditions; 4. Contractor Terms and Conditions.
27. **ENTIRE AGREEMENT:** This Agreement, including all Attachments, and documents incorporated hereunder, and the related State Solicitation constitutes the entire agreement between the parties with respect to the subject matter, and supersedes any and all other prior and contemporaneous agreements and understandings between the parties, whether oral or written. The terms of this Agreement shall supersede any additional or conflicting terms or provisions that may be set forth or printed on the Contractor's work plans, cost estimate forms, receiving tickets, invoices, or any other related standard forms or documents of the Contractor that may subsequently be used to implement, record, or invoice services hereunder from time to time, even if such standard forms or documents have been signed or initialed by a representative of the State. The parties agree that the terms of this Agreement shall prevail in any dispute between the terms of this Agreement and the terms printed on any such standard forms or documents, and such standard forms or documents shall not be considered written amendments of this Agreement.

(Revision date: 6 May 2010)

**CEDAR CITY COUNCIL
AGENDA ITEM 13**

INFORMATION SHEET

TO: Mayor and City Council

FROM: Rick Holman

DATE: May 19, 2014

SUBJECT: Golf Course barrier

DISCUSSION: The City has requested bids for the materials for the prairie dog fence for the golf course. Bids are due Tuesday May 20, 2014. Bids will be presented for consideration at the May 21 Work Mtg and a Special Action meeting is scheduled for immediately following the work mtg to approve a bidder.

**CEDAR CITY COUNCIL
AGENDA ITEM __14__**

INFORMATION SHEET

TO: Mayor and City Council

FROM: Rick Holman

DATE: May 5, 2014

SUBJECT: Water Rate modification

DISCUSSION: The City changed the water utility rate structure, effective January 2013. The Iron County School District noticed the significant increase when the irrigation started last Spring. As intended, the District facility staff modified the irrigation practices for the large playing fields to ease the financial impact. As a result, some of the playing fields used for Summer Games were not in the best shape and concerns were expressed by Summer Games participants.

The School District wants to be a good host as they have been for many years. In order to provide safe and playable fields, the watering may need to be a little more generous for a couple of months.

It is proposed that the Council consider charging the District the non-culinary rate for the additional water (difference from what was used last year and the year before the rate change) on the fields that use culinary water for the approximate three months leading up to the Summer Games.

A proposal will be presented at the May 21 Work Meeting.

**CEDAR CITY COUNCIL
AGENDA ITEM 15**

INFORMATION SHEET

TO: Mayor and City Council

FROM: Ryan Marshall, Jeff Hunter, Corey Childs

DATE: May 19, 2014

SUBJECT: Surplus of 2007 Refuse Truck

DISCUSSION: We have been presented with the opportunity to surplus one of our refuse trucks to the dealership in which we purchased it from. The amount that they are offering is \$40,000. This has come up because they apparently have an interested party that would like to purchase it right away. We have budgeted and planned to purchase a new truck in July and trading this truck in at that time. We have not completed the bidding process, but plan to do it right away.

In reviewing the offer we have found that this is a fair deal. We feel that if the truck was put through an auction we would be looking at receiving \$8,000-\$15,000. We have found a few trucks that are similar for sale for as high as \$80,000, but they have been completely refurbished. These refurbishing companies are buying the trucks for \$3,000-\$15,000 and investing \$50,000-\$65,000 and then selling them for \$60,000-\$80,000 depending on the truck.

We would like to propose to the City Council to approve the surplus of this vehicle due to its age. It has been in service 6 years which is our determined life cycle.

